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ABSTRACT

This report presents the results of a study of Regional Education Service Agencies (RESAs) in Appalachia, with particular attention to the Appalachian Regional Commission's (ARC) RESA program and the 22 RESAs that have received ARC assistance. RESAs are organizations established to provide a range of educational services on a regional basis by combining some of the educational resources flowing to existing agencies. Funds for RESAs may come from federal, state, or local sources, but in all cases they come through existing agencies; RESAs do not have the authority to levy taxes. Chapter 1 provides a brief general description of RESAs and summarizes the methodology used in the study. Chapter 2 focuses on the performance of the RESAs relative to policy issues of concern to the ARC. Chapter 3 examines the implications of recent RESA experiences for the ARC's RESA program and describes possible ARC monitoring and evaluation strategies for RESAs. Chapter 4 discusses the characteristics of a model RESA, focusing in turn on issues concerning the organization and operation of a RESA and on RESA activities, functions, and programs. (JG)

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An Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program

by

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I. INTRODUCTION

This report presents the results of a study of Regional Education Service Agencies (RESAs) that has been conducted during the last year for the Appalachian Regional Commission (ARC). The study has focused on the ARC program for implementing RESAs and the RESAs that have received ARC assistance.

The study was requested by ARC and was to focus on a set of questions raised by the Commission. Those questions, and major segments of this report, fall into four areas:

- Characteristics of the RESAs, such as institutional and administrative arrangements, relationships with other organizations, operating procedures and costs, and the activities, functions and programs undertaken.
- The performance of the RESAs relative to several policy issues of concern to ARC and the implications for future ARC policies.
- The characteristics of a model RESA.
- Monitoring and evaluation strategies for ARC relative to the RESA program.

The questions on the characteristics of RESAs are addressed primarily in "Report on Regional Education Service Agencies in Appalachia."[1] Chapter II of this report deals with policy questions raised by ARC. Additional information involved in the analysis of these questions is contained in "Supporting Analyses for an Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program."[2] The implications of

1. Dona M. Kemp, John D. Waller and John W. Scanlon. Paper 5048-3-02, Washington, D.C., The Urban Institute, August 5, 1976.
2. John D. Waller, Dona M. Kemp and John W. Scanlon. Paper 5048-4-02, Washington, D.C., The Urban Institute, July 12, 1976.

recent RESA experiences on future ARC policies are discussed in Chapter III. This chapter also presents monitoring and evaluation strategies relative to RESAs that ARC could adopt over the next several years.

The characteristics of a model RESA are discussed in Chapter IV. Several issues that must be addressed when initiating a RESA are identified, alternative resolutions based on RESA experiences are given, and desirable or model aspects of the possible resolutions are presented. Similarly, guidance is provided on the types of program with which RESAs should consider becoming involved.

The remainder of this chapter provides a general description of a RESA, and summarizes the methodology that has been used in this study. The general description is designed for the reader not familiar with the RESA concept, and serves as a guide in understanding the focus of various segments of the report which address particular aspects of a RESA.

A. REGIONAL EDUCATION SERVICE AGENCIES

Traditionally, public education involves two levels of government: the state, which has the ultimate responsibility for education; and local education agencies (LEAs), which actually provide the education. Recently the federal government also has become heavily involved by providing funds for special programs aimed at specific problems.

Both the state and local governments raise revenues for education purposes through the levying of taxes, and are recipients of federal funds. The state provides a limited number of support activities, such as resource personnel to provide technical assistance in instructional and administrative

activities. The bulk of the education resources are expended through the LEAs that actually operate educational programs.

The LEAs provide administrators and supervisors, teachers, curriculum, and support activities that range from obtaining schools to buying pencils and keeping records.

Through the years there have been consolidations of small local education agencies into slightly larger ones. However, for political and service delivery reasons, consolidation rarely extends school systems beyond a county boundary. In any case, many small school districts remain and are likely to remain for some time.

Whether or not school districts themselves consolidate, some services can often be provided on a regional basis. For example, vocational education schools frequently serve several contiguous LEAs.

Several of these regional activities are coordinated by the state, and frequently there are different regional boundaries for different activities. Some have been the result of local education agencies organizing a regional activity on their own. Others have been motivated by outside agencies, such as ARC or a state Department of Education.

RESAs are organizations established to provide a general range of services on a regional basis. When organized with the cooperation of the state government, the RESA is an intermediate education agency between the state and local levels. When organized mainly by local agencies, it is an institution created by them to provide services that the local agency representatives deem appropriate. In those cases, it is similar to a third party contractor, owned and controlled through the cooperative efforts of the local agencies. Figure 1 schematically summarizes the general flow of public resources from federal, state and local sources to LEAs and through

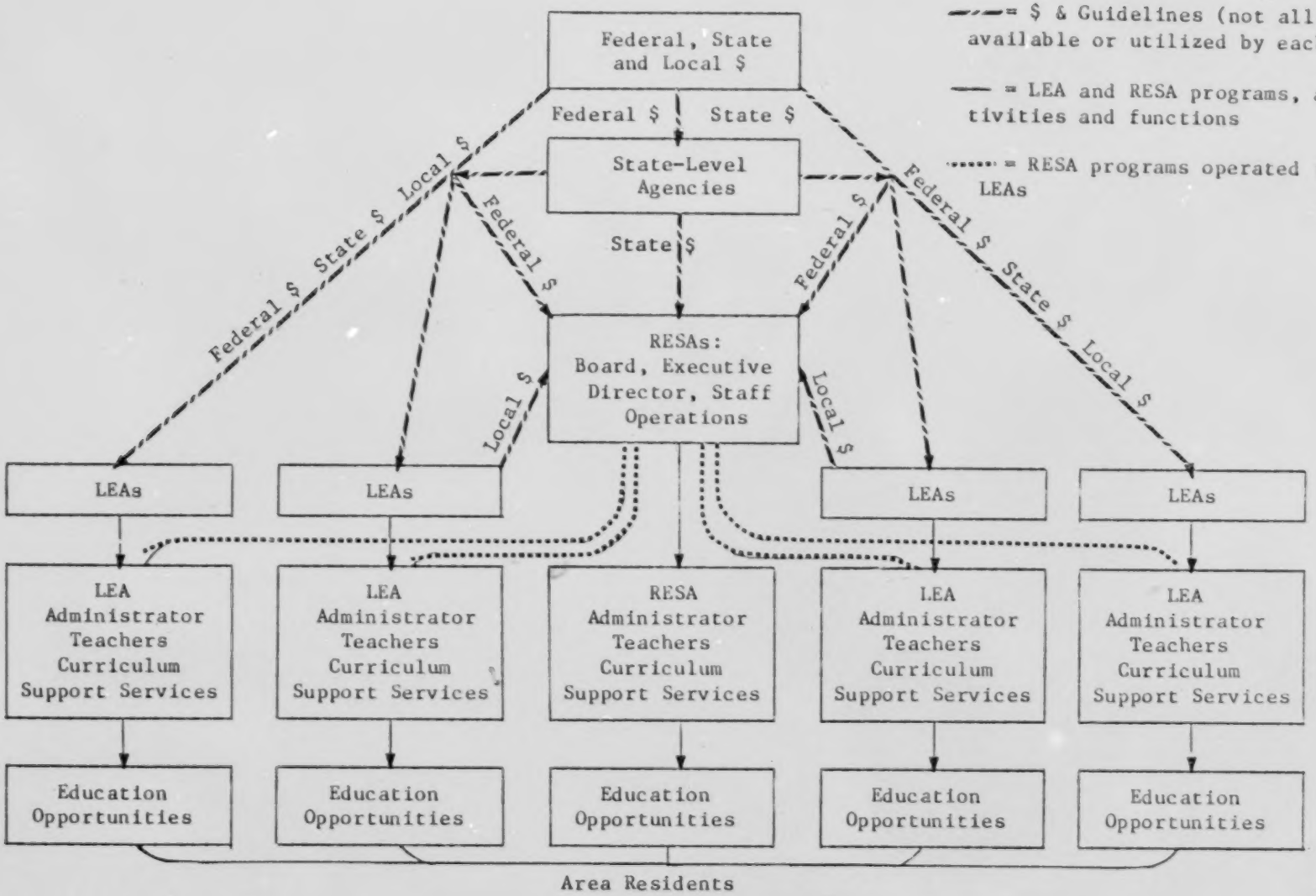

FIGURE 1: RESA IN RELATION TO EXISTING EDUCATION ACTIVITIES AND RESOURCES

RESAs for education activities that result in educational opportunities for area residents.

In general, the RESA is an organization having a Board of Directors to provide policy direction, an executive to administer the organization and its programs, and a staff to provide services to local agencies and area residents. As shown in Figure 1, the RESA acts as a mechanism to offer services on a regional basis by combining some of the education resources flowing to existing agencies. The funds may come directly from federal, state or local sources, but in all cases, the funds come through existing agencies. Individual residents may reimburse a RESA for some service, but within Appalachia, RESAs do not have the authority to levy taxes.

The RESA programs either affect existing education activities of the LEAs or create new ones. For example, some RESA programs involve the establishment of a resource center to provide technical assistance and materials to the existing classroom teachers. One LEA may not have sufficient demand to utilize such a resource center on a full time basis, but several districts would. Consequently, a regionalized service is more efficient. In other programs, such as providing special classes for the deaf, the RESA hires teachers and delivers services to the students. The RESA actually operates the program.

These two techniques of affecting the education process are shown in Figure 1 by dotted and solid lines respectively.

Over the last five years, ARC has provided demonstration funds to support the planning and initial operation of 22 RESAs. By design, ARC has allowed extensive flexibility in the type of institutional and administrative arrangements that have been adopted and the programs in which

the RESAs have become involved. The RESAs have used this freedom to evolve a variety of organizations and programs. The examination of these organizations and programs is the subject of this report.

B. METHODOLOGY USED IN STUDYING RESAs

The Urban Institute methodology used is discussed in detail in "Methodology Used in Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program."[1] A summary of that methodology is presented below.

The study involved seven major steps divided into two phases.

1. PHASE I: ASSESSMENT OF EVALUABILITY

This phase involved four steps:

- o An initial telephone survey of all RESA directors to identify activities, objectives, and available information.
- o Interviews with ARC personnel to develop a description of the RESA program and an understanding of management systems and information needs for the program.
- o Review of documentation obtained through the first two steps.
- o Development of rhetorical and evaluable program models.

The rhetorical model presented the major components and hypotheses of the program. The evaluable model identified those parts of the rhetorical model that could be evaluated, and presented candidate measures and analyses for

1. John D. Waller and Dona M. Kemp. "Methodology Used in Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program," Paper 5048-06, August 23, 1976.

the evaluation. The evaluable model provided the basis for the subsequent collection and analysis of information on the RESA program.[1]

2. PHASE II: DATA COLLECTION AND RAPID FEEDBACK EVALUATION

For the second phase of the study, effort was focused on a sample of RESAs and RESA activities which were selected as representative of the program, and provided a base for developing answers to questions posed by ARC. The major components of the second phase were:

- Site visits to 11 RESAs to review available documentation and conduct interviews.[2] The site visits enabled The Urban Institute to assess the quality of the available data, develop first-hand knowledge of the RESAs, their methods of operation and activities, and establish the feasibility and value of obtaining more data or conducting various experimental design types of evaluation.

- Second telephone survey of RESAs to verify certain information, attempt to fill some information gaps, and identify cases where more detailed information could be obtained on selected types of projects.

- Follow-up telephone interview of RESAs with cooperative purchase programs to obtain additional information on methods of operation, costs and cost savings.

- Telephone interviews of superintendents of local school districts located in the regions of the 11 visited RESAs to obtain independent assessments on their involvement in, cost and value of the RESA.

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1. See John D. Waller et al. "Plan for the Evaluation of Regional Education Service Agencies," Paper 5048-1, and John D. Waller, Dona M. Kemp and Barbara House. "Summary of the Plan for the Evaluation of Regional Education Service Agencies," Paper 5048-2, Washington, D.C., The Urban Institute, November 26, 1975.

2. RESAs visited were those located in: Huntsville, Alabama; Morehead, Kentucky; Cumberland, Maryland; New Albany, Mississippi; Canton, North Carolina; Athens, Ohio; Greenville, South Carolina; Alcoa and Oak Ridge, Tennessee; Norton, Virginia; and Martinsburg West Virginia.

II. SUMMARY OF ANSWERS TO ARC'S POLICY QUESTIONS

This chapter summarizes the answers to five questions raised by ARC for this study. A more detailed discussion of these questions appears in "Supporting Analyses for an Assessment of the Appalachian Regional Commission' Regional Education Agencies Program."[1] The questions are:

1. How successful is the RESA program in terms of its primary objective of providing an institutional and administrative mechanism through which local school districts can combine resources to improve the quality and quantity of educational opportunities and services available to the region's residents?

2. Have local school districts effectively combined their resources through a RESA in order to provide services, specialized equipment, etc. which, due to their expense, individual districts with limited resources could not have undertaken independently?

3. Have RESAs served as a means for local school districts to take advantage of economies of scale in the provision of education services, etc., thereby allowing the provision of basic services, equipment, etc. at a lower unit cost, and increasing the total services available for a given level of local resources?

4. Have RESAs served as a mechanism to combine resources for the provision of specialized services to combinations of school districts which could not be economically and efficiently provided to student populations in individual small districts?

5. Have ARC-assisted RESAs been effective in increasing the flow into the region of federal and state funds for education programs?

These questions focus on the RESA as a mechanism for obtaining or combining resources in order to provide benefits to the residents of a region. The questions are answered below in two sections. Section A addresses RESAs' ability to serve as a mechanism for obtaining and combining resources, and Section B addresses how RESAs have utilized those combined resources to provide the benefits identified in the five questions.

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1. John Waller et al. "Supporting Analyses for an Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program," Paper 5048-4-02, August 1976.

A. THE RESA AS A MECHANISM FOR OBTAINING AND COMBINING FUNDS

School districts do combine and/or share funds through RESAs. In the simplest case, an ARC planning grant for a RESA can be said to be shared by the participating school districts who combine their funds, either cash or inkind contributions, to provide the match funds required to obtain the grant.

The funds combined through RESAs are obtained from a variety of sources. The main sources are ARC, other federal agencies, state agencies and local participating school districts. RESAs receive planning funds from ARC. They receive general operating funds from ARC, state agencies and local school districts. They receive program funds from those sources and from other federal agencies.

Table 1 below displays the fiscal year 1976 budgets, by source of funds, for nine RESAs. In six of these RESAs, more than half the budget is from federal funds, and in eight of them the combined local monies amount to no more than 35 percent of the budgets.

The means for obtaining the funds which are combined through RESAs include:

- Direct grants of federal funds for specific programs.
- State allocations for operating expenses.
- State allocations for specialized personnel.
- State grants for specific programs.
- Local allocations for operating expenses.
- Local allocations for specific programs.

Section 7 below discusses RESAs' success in increasing the flow of federal and state resources in their regions.

RESA	Source					Total
	ARC	Other Federal	State	Local	Other	
Huntsville, Ala.	$ 14,147	$113,845	$ 37,180	$ 54,427	---	$219,599
Hazard, Ky.	$337,034	---	$167,570	$126,740	---	$631,344
New Albany, Miss.	$ 57,100	$ 50,530	$ 7,238	$ 63,525	$3600	$181,993
Canton, N.C.	---	$132,323	$282,000	$ 20,000	---	$434,323
Piketon, Oh.*	$ 38,375	---	---	$ 17,709	---	$ 56,084
St. Clairsville, Oh.*	$ 33,750	---	---	$ 11,250	---	$ 45,000
Cookeville, Tn.	$ 32,361	$120,000	$ 3,500	$ 14,330	---	$170,191
Oak Ridge, Tn.	$ 35,241	$113,582	$ 32,685	$313,722	---	$495,230
Morgantown, W. Va.	---	$ 31,487	$152,000	$ 80,000	---	$263,487

*RESA in planning year in fiscal year 1976.

TABLE 1: FUNDS COMBINED THROUGH
RESA IN FISCAL YEAR 1976

The amount of locally controlled monies combined through a RESA ranges from about one-twentieth of one percent of the total school districts' budgets in the Cookeville, Tennessee RESA, to one percent of the total local school districts' budgets in the Oak Ridge, Tennessee RESA.[1] Table 2 provides the reader with some perspective on the size of a RESA program when compared to the total educational program in a region served by a RESA.

Data on the funds which local school districts combine through their RESA were obtained from RESA budgets supplied by RESA directors. Data on the size of the local budgets were obtained from state statistical reports for the fiscal years 1974 and 1975, the most current available. Those data are used to approximate fiscal year 1976 data.

Each of the five RESAs on which data are presented has been in operation for at least three years and, as a set, they possess no characteristics which make them unrepresentative of the complete set of RESAs. They were selected because they are the ones for which we have both RESA and local school district budgets.

B. BENEFITS REALIZED THROUGH COMBINING OF FUNDS

RESAs are established to provide services on a regional basis, and have been used to achieve a number of different types of objective:

1. These calculations are based on all expenditures of local school districts, including those which in most cases cannot be affected by regional activities, such as those for classroom teachers. Teachers' salaries frequently account for about half of each school district's expenditures and other routine expenses account for an additional large portion of each school district's budget. If one were to consider local monies combined through a RESA or a total RESA budget as a portion of those remaining flexible funds, then the above percentages would increase significantly. However, data were not obtained for those calculations.

RESA	Total Dollars in RESA Budget	Locally Controlled Dollars Combined through RESA	Total of Local School Districts' Budgets	Ratio of Local Dollars Combined through RESA to Total of Local School Districts' Budgets	Ratio of RESA Budget to Total of Local School Districts' Budgets
Hazard, Ky.	$631,244	$126,740	$22,807,422	0.6%	2.8%
New Albany, Miss.	$181,993	$ 63,525	$32,155,952	0.2%	0.6%
Cookeville, Tn.	$170,191	$ 14,330	$29,264,288	less than 0.1%	0.6%
Oak Ridge, Tn.	$495,230	$313,722	$26,146,152	1.0%	1.9%
Morgantown, W. Va.	$263,487	$ 80,000	$55,069,591	0.1%	0.5%

TABLE 2: LOCAL FUNDS
COMBINED THROUGH A RESA

- To improve the quality of existing services.
- To improve the quantity of services available to an area's residents.
- To combine local funds to provide a service too expensive for individual LEAs ("threshold").
- To enable participating school districts to realize cost savings through economy of scale programs.
- To enable school districts to combine funds to provide programs directly to students when those programs could not be provided economically and efficiently by individual school districts.
- To increase the flow of federal and state resources in a region.

In this section, we describe how much of the RESAs' programs and activities are directed to each of these, and how successful they appear to be. Table 3 summarizes the information collected on each of the six objectives.

Documentation was not readily available on most programs to provide evidence of success. When such documentation was unavailable, the testimony of RESA directors, school superintendents and RESA program directors was used, and is referred to in the tables as "testimony of 'Authority'."

1. IMPROVING THE QUALITY OF EDUCATIONAL OPPORTUNITIES AVAILABLE TO RESIDENTS

Improving the quality of educational opportunities available to area residents has been defined by The Urban Institute in this study as altering an existing educational opportunity in a manner that is judged to make it better for those who are already taking advantage of it; for example, an inservice program to provide teachers with a new skill.

Using this definition in a review of 73 major programs identified in the 11 visited RESAs, The Urban Institute identified 34 programs which were intended to improve the quality of available educational opportunities. Based on the judgments of local education authorities, all such programs were considered successful in that intent.

TABLE 3: SUMMARY OF RESA ACTIVITY
DIRECTED AT SIX OBJECTIVES

RESA Objective	Amount of RESA Activity Toward This Objective	Evidence of Success
o Combining funds to improve quality of existing services.	o 91% of RESAs o 47% of Programs	o Testimony of "Authority"
o Combining funds to increase services available to residents.	o 100% of RESAs o 38% of Programs	o Testimony of "Authority"
o Combining local funds to provide a service too expensive for individual LEAs ("threshold").	o 45% of RESAs o 10% of Programs	o Testimony of "Authority"
o Cost savings through economy of scale programs.	o 56% of RESAs o 9% of Programs	o Documentation of Savings o Testimony of "Authority"
o Combining funds to provide programs directly to students when those programs could not be economically and efficiently provided by individual school district.	o 82% of RESAs o 34% of Programs	o Testimony of "Authority"
o Increase flow of federal and state funds in a region.	o 100% of RESAs o 72% of their budgets (on average)	o Testimony and Budget Data

The quality improvement programs primarily involved the direct provision of some service to teachers or administrators to improve their skills in performing their current jobs. Included in these programs are resource centers, staff development, Appalachian Education Satellite Program, and programs introducing improved curricula. The programs examined served from 29 to 5000 teachers per program. Decisions to classify programs as quality improvement programs were made on the basis of the perceptions of local educators that the specific activities were actually improving the quality of educational opportunities. For example, the hiring of a math specialist by the RESA to provide technical assistance and workshops to classroom teachers is generally perceived as improving the quality of the education system. Local educators assume that the skill level of the teachers will be improved, that the teachers will in turn offer a better math program to their students, and that the students will take advantage of the improvement and become better at math.

In a few cases, information was uncovered to provide evidence that such assumptions were realized and area residents did actually have a higher quality program as a result of the RESA activity. However, this situation is not common. The production of such information was beyond the scope of this study, which for the most part relied on the assessment of persons familiar with the program and commonly accepted judgments as to what represents improvements in quality.

In the 11 RESA regions visited, 24 of the 32 local superintendents interviewed indicated that the RESAs serving them provided services or programs of a higher quality than their school district could provide for itself. Only three superintendents said quality was not improved, and the remaining five either said they didn't know or had no way of

telling. Several superintendents said that the reason they could not match the quality of the RESA service was financial--they could not afford to hire the same type of people as the RESA.

2. IMPROVING THE QUANTITY OF EDUCATIONAL OPPORTUNITIES AVAILABLE TO RESIDENTS

Improving the quantity of educational opportunities available to an area's residents has been defined by The Urban Institute to mean that either an entirely new service is being provided to the residents of a region, or an existing service previously available to one segment is being extended to another segment of the population. For example, programs for gifted students have been introduced.

Using this definition in a review of the 73 major programs identified in the 11 visited RESAs, The Urban Institute identified 28 programs which were designed to expand the quantity of educational opportunities available. In the judgment of local education authorities, all such programs were considered successful in that intent. At least 12 of those programs were new to the region when introduced through the RESA.

The quantity improvement programs typically involved a RESA staff member or consultant providing or coordinating a service for students--either adults or children. Programs offered include adult education, vocational education, education for talented and gifted children, and early childhood education. The number of students served ranged from 7 in a "gifted" program, to nearly 5000 in a career education program.

3. SUMMARY OF QUALITY AND QUANTITY IMPROVEMENTS

Of the 73 programs we reviewed, only 14 were not classified as causing

either quality or quantity improvements. The 14 programs primarily involve administrative support activities, such as the cooperative purchase of supplies or the repair of media equipment. While these programs may reduce overall school system costs, improve the supply of goods, or free-up monies which can be reallocated in the school systems' budgets, they do not have a direct impact on the existence and use of educational opportunities by the residents of the region.

In summary:

- Nearly 81 percent of the programs offered by RESAs were designed to result in improvements in the quality and quantity of education opportunities available to area residents. All of those programs were judged successful in making improvements.
- The programs which were not designed to improve either quality or quantity of educational opportunities and services were either administrative support activities or noneducational programs for the elderly.
- Most programs are aimed primarily at either quality or quantity improvements, rather than both, with about an equal division between the two types.

4. COMBINING OF LOCAL FUNDS FOR PREVIOUSLY UNAVAILABLE SERVICES

This objective focuses on the operation of programs funded primarily with local monies which would not have existed without the RESA. These are programs or services which individual districts with limited resources could not have undertaken independently. By combining funds through the RESA, some costs are said to reach a sufficiently low "threshold" to enable school districts to participate. Other costs associated with operating some programs are spread across all participating school districts and thus are not a large burden on any one district.

Five of the eleven RESAs visited during this study identified programs they were operating, utilizing primarily local funds, which would

not have operated without the RESA. Seven such programs, with costs ranging from $6,700 to $165,000, were operated in those RESAs. Two of the programs provided direct services to area residents, and the others served teachers, administrators or school board members. These programs are similar to programs run in other RESAs with different sources of funding. Two were training programs for teachers or teachers and administrators, one provides psychological services to children, one provides technical assistance to administrators in arranging for computer scheduling for high school students, and another supports a materials center for teachers. One RESA program was the preparation of school board policy manuals.

The seven programs represent less than 10 percent of the programs currently being operated by the eleven RESAs visited. Several RESA directors and superintendents interviewed seemed to view the RESA as an agency which is supposed to attract additional resources for their regions. Thus, superintendents often do not view the RESA as an agency to which they should turn over their funds to operate programs which they individually cannot afford to operate. In one RESA in which the superintendents turned to the RESA for operation of a large inservice program, the RESA director reported that the program was viewed as a success by the participants. The director feels that as a result of the success the superintendents feared the RESA would make them look less capable to perform their duties and would take over more of those duties. Thus, in the opinion of that director, the superintendents have never asked the RESA to run another inservice program for them.

5. COST SAVINGS THROUGH ECONOMY OF SCALE PROGRAMS

This objective addresses school districts using their RESA as a means

for combining their funds to purchase services, programs, or commodities which they would have purchased without the RESA, but at a higher price.

Extensive ambiguity was found to exist on what represents an "economies of scale" program. For example, in discussions with RESA directors and with superintendents, several activities were identified as economies of scale which, due to cost considerations, would not have been provided locally without RESA involvement. In fact, the RESA involvement may have caused the local districts to make an expenditure that never would have been made were it not for the RESA. In a real sense, costs were increased rather than reduced. Such programs have been excluded from our definition of an "economies of scale" program. They are, however, included in sections 4 and 6 of this chapter.

By our definition, a specific RESA program is considered an economies of scale program if:

- there is evidence that the service or equipment was being provided by the local education agencies (LEAs), or would have been provided by them without the program,
- the LEAs combined resources (dollars) through the RESA to provide the same type service or commodity to all participants, and
- the program was designed to reduce unit costs.

Based on this definition and a review of programs, evidence of cost savings were identified in nine of the twenty-three RESAs. In each RESA, one program was identified. The range of savings per program was given as between $10,000-$139,000. These reported savings represented between 5 percent and 50 percent of the total purchase. Local satisfaction with the programs is demonstrated by the fact that all the programs identified as achieving cost savings have been operating for more than one year.

Reasons given for non-involvement in cooperative purchasing programs were also identified as problems that had to be overcome in some of the RESAs operating such programs. Those reasons include:

- Loyalty to local suppliers, even though their prices might be higher than could be obtained elsewhere.
- Political pressures to support local suppliers.
- Fear that the work involved would not be compensated by the savings realized.
- Restrictive state laws inhibiting such programs.

Seven of the nine programs judged to achieve cost savings involved the cooperative purchase of supplies. The other programs involved a media repair center and a driver education program. Six RESAs, in addition to the nine in which evidence of cost savings were found, operated similar type programs. Thus, there appear to be cost savings programs in 15 of the ARC-assisted RESAs, with evidence collected on actual cost savings being realized in 9 of them. Evidence was not collected from the other six.

The calculation of actual savings realized through the involvement of RESAs is complicated by a variety of factors. For example, all of the following costs should be taken into consideration in any calculation:

- Processing costs to the school districts with and without RESA involvement.
- Costs to LEAs of the RESA administering and coordinating the procurement.
- Cost of the commodities or services procurred with and without the RESA involvement.
- Delivery costs with and without the RESA involvement.

Nearly all the available documentation on cost savings attributed to RESAs is restricted to the change in procurement costs. The contribution of the other cost factors is assumed to be small by most local authorities familiar with specific programs, but, in general, no evidence was obtained to substantiate this assumption.

RESAs used several estimating procedures in determining what the cost of the commodity would have been without the RESA involvement. These

estimates include: unit costs experienced prior to RESA involvement; unit costs paid by LEAs in the region but not involved in the RESA program; unit costs available when purchasing through a state arranged supplier; and prices offered by other suppliers. RESAs' analyses of cost savings using each of the above techniques were examined. In all cases, the results substantiated the fact that cost savings are realized.

In summary, there is evidence to indicate that RESAs have served as a means for local school districts to take advantage of economies of scale and achieve cost savings on basic services. However, at present, the realization of savings in this manner appears to be limited to less than half of the RESAs, and less than 9 percent of the major activities of RESAs.

6. COMBINING FUNDS TO PROVIDE PROGRAMS DIRECTLY TO STUDENTS

This issue focuses on the provision by the RESA of student services which require some specialized equipment or talent which most school districts could not have individually initiated or operated efficiently and economically.

Nine of the eleven RESAs which we visited offer programs for student populations which local superintendents and RESA directors believe could not be provided economically and efficiently by small districts. Twenty-five such programs were identified, with costs ranging from $1,733 to $320,012. The number of students served by these programs range from 7 served by a gifted program to 5000 served by a health education program. These programs represent 43 percent of the total number of programs the nine RESAs operate, and are offered to children in school, pre-school

children, school-age children who are not in school, and adults who are receiving the equivalent of some school training.

There appear to be three situations in which programs fit this category.

- Some of the programs are currently operated as demonstration programs, with the anticipation that eventually they will be operated by individual school districts, e.g. talented and gifted programs.
- Some programs could not be replicated by each small school district because crucial program components, such as coordination with local colleges and universities, would be difficult, if not impossible, for each school system to replicate, e.g. large programs using university assistance to provide psychological services to participating school districts.
- Some programs are thought to be more economically and efficiently run by the RESA because they require some expertise to coordinate, or expertise or equipment which is needed by each school district frequently but not continually, e.g. health education and safety education programs.

7. INCREASING THE FLOW OF FEDERAL AND STATE RESOURCES INTO A REGION

This section addresses the question of whether the ARC-assisted RESAs "have been effective in increasing the flow into the region of federal and state funds for education programs." Several ARC staff members cited such an increase as a primary objective for having a RESA.

Two ways in which RESAs increase the flow of federal and state funds have been identified and are discussed below. In the first, RESAs initiate, coordinate and operate programs utilizing state or federal funding for which most or all of the individual school districts would not or could not have applied. Information that has been collected provides evidence that RESAs have achieved increases in federal and state funds for the region in this manner. In the second case, the RESA assists an individual school district to obtain federal or state monies that are then spent

by the district. Examples of how RESAs provide this type of assistance have been identified, but documentation on RESA performance in this regard is not available.

a. Increases Due to RESA Programs

Available evidence indicates that all RESAs are involved directly in the flow of federal and state funds in their regions. The current budgets of nine RESAs were examined and are presented in Table 4. These nine RESAs were not randomly selected. However, we know of no characteristics they possess that would make this set unrepresentative of the complete set of RESAs. The amount of federal and state funds identified in those budgets range from $33,750 to $504,604, with an average of $199,105.[1] The federal and state funds represent, on the average, 72 percent of the total RESA budget, with a range of 37 percent to 95 percent.

All the funds identified in RESA budgets as coming from federal and state sources do not represent an increase in funds for the region attributable to the RESA. Programs have been identified that would have resulted in federal or state funds being expended in the region without the involvement of the RESA. Using data from available documentation and interviews with local education authorities, each RESA program supported with federal or state funds has been reviewed to determine whether the RESA involvement was essential to the funds being spent in the region. Using the results of that review for four of the nine RESAs whose budgets were reviewed, it is estimated that on the average, 74 percent of the federal

1. Only two budgets contained less than $100,000 in federal and state funds. They were from RESAs still in their planning year.

RESA	Total RESA Budget	Funds from Federal and State Sources		
		Total	Percent of Total Budget	Percent of Federal and State Funds Attributed to the RESA
Huntsville, Ala.*	$219,599	$165,172	75%	100%
New Albany, Miss.*	$181,993	$114,868	63%	100%
Canton, N.C.*	$434,323	$414,323	95%	45%
Oak Ridge, Tn.*	$495,230	$181,508	37%	100%
Hazard, Ky.	$631,344	$504,604	80%	---
Piketon, Oh.**	$ 56,084	$ 38,375	68%	---
St. Clairsville, Oh.**	$ 45,000	$ 33,750	75%	---
Cookeville, Tn.	$170,191	$155,861	92%	---
Morgantown, W. Va.	$263,487	$183,487	70%	---

*RESA visited during this study.
**RESAs in planning year during fiscal year 1976.

TABLE 4: FEDERAL AND STATE FUNDS IN RESA BUDGETS

and state funds in the RESA budget would not have been spent in the region without the RESA involvement. The range of federal and state funds attributable to the RESA is from 45 percent to 100 percent of the total federal and state resources in the budgets for those RESAs. In terms of actual resources, these portions represent an average of $163,137, with a range of $114,868 to $186,000.

A sample of five regions was used to compare the portion of federal and state funds spent through a RESA with the total amounts of federal and state monies expended on public education in a region. The RESA portion ranged from 0.4 percent to 2.4 percent of the total federal and state education resources. On the average, those RESAs appear to affect less than 1 percent of an increase in the total federal and state resources already expended in the regions.[1]

Comparing RESA federal and state funds with administrative costs (using an estimate of $45,000 for an administrative cost), yields a ratio of total federal and state funds to administrative costs for the nine RESAs of from 75 percent to 1121 percent, with an average of 492 percent.

b. Assistance in Obtaining Federal Funds for Local School Districts

During interviews with RESA directors concerning services they provide to local school systems, several of them identified instances in

1. The calculations utilized all federal and state resources allocated to LEAs in the regions served by the RESAs in Huntsville, Alabama, New Albany, Mississippi, Canton, North Carolina, and Oak Ridge and Cookeville, Tennessee, as reported in the most recent copy of annual statistical summaries published by the respective state Departments of Education. The state and federal funds reported in the statistical summaries include funds awarded to the LEAs on a per pupil basis, which in most cases can not be affected by regional activities. If one were to exclude the proportion of funds awarded on a formal basis to local school districts, the above percentages would increase significantly. However, data could not readily be obtained for that purpose.

which they had provided assistance to an individual local education agency in obtaining federal and state funds for the sole use of that LEA.

Two examples of how RESA directors and staff provide this type of assistance are provided here:

- The most common situation is when the RESA director or a staff member provides assistance in writing or reviewing a proposal to be submitted by an LEA to a federal or state agency.

- Using a RESA program to justify additional funds for individual LEAs is a technique for indirectly affecting the flow of federal or state funds. One RESA has a program which involves the screening and testing of students for special education needs in order to justify the receipt of funds from state or federal agencies to provide special education services. A systematic study of the effectiveness of the RESAs in this role was not pursued, due to the lack of readily available data which would be used to validate the extent and effectiveness of the RESAs in this role.

The role of the RESA in obtaining federal funds is frequently unclear and could not be resolved with much certainty through readily available information. Directors often were uncertain of the effect of their participation in obtaining the federal funds for an LEA and ambiguous on the extent of their involvement. For this reason, the issue was not explored in depth in this study.

III. IMPLICATIONS FOR ARC'S RESA PROGRAM

This chapter identifies some of the factors that influence the effectiveness of RESAs, and then uses the experiences of RESAs to provide observations on future ARC activity with respect to RESAs.

Section A answers the ARC policy questions:

> What circumstances, factors and conditions influence the impact and effectiveness of a RESA's accomplishments relative to the tasks contained in the other policy issues? Are those circumstances controllable or subject to influence by government? How?

Section B discusses the policy implications of recent RESA experiences, and Section C summarizes suggested future monitoring and evaluation activities for ARC.

A. CIRCUMSTANCES, FACTORS, AND CONDITIONS THAT INFLUENCE THE IMPACT AND EFFECTIVENESS OF A RESA

As discussed in the previous chapter, the other policy issues are concerned with whether RESAs have been able to combine funds and offer programs with particular objectives. This policy issue is concerned with the circumstances, factors and conditions that influence the capability of RESAs to perform those tasks.

We have used two approaches to answer this issue:

- RESAs were categorized according to common factors, e.g., type of legal status.[1] Based on common characteristics, RESAs were then compared to determine whether any of those characteristics seemed to affect performance relative to the policy issues raised by ARC.

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1. See Dona M. Kemp et al. "Report on Regional Education Service Agencies in Appalachia."

- Analysis of the responses of RESA staff members to question about this issue and questions concerning what has affected their activities and effectiveness.

The following two sections present the results of these analyses, and a third section discusses what actions might be taken by ARC or other government agencies to affect RESA activities.

1. CROSS COMPARISONS BASED ON RESA ORGANIZATIONAL CHARACTERISTICS

Specific factors that were taken into consideration to distinguish groups of RESAs which could be compared relative to performance on the ARC policy issues are:

- composition of the RESA board,
- type of legal status,
- ability to be one's own fiscal agent,
- source of administrative support, and
- relationship to state agencies, Local Development Districts (LDDs) and institutions of higher education.

These factors were considered because, during the course of this study, they had been raised by ARC staff and by RESA directors as factors that were thought to be related to the RESA program activities.

The relationship between these factors has been examined relative to the RESA performance in combining funds and achieving benefits identified in the ARC policy questions. The funding issue is addressed first.

a. Factors Related to Magnitude of Performance in Combining Funds

The previous chapter addressed the performance of RESAs in obtaining funds, utilizing local education resources and attracting federal and

state dollars to the regions served. The results were summarized in Tables 1, 2 and 4 of that chapter, which gave budget data for a sample of RESAs.

Those data have been examined relative to various categories of RESAs to determine if patterns exist between factors defining the categories and budget sizes. Tables 5, 6 and 7 summarize cases where a pattern could be identified and demonstrate a relationship between budget size, funding source and four organizational factors. Based on the distribution exhibited in Table 5, those RESAs that are fiscal agents, have higher education institutions and LDDs represented on the Board of Directors, and receive organizational support from a state agency also tend to have larger total budgets than those RESAs without such organizational characteristics.

Similarly, Table 6 indicates that those RESAs that are fiscal agents and linked to higher education institutions through the Board of Directors tend to have larger amounts of local funding input. When the percentage of the budget coming from local sources is used as a measure of performance in obtaining local resources, the relationship between magnitude and higher education representation on the board is not present. Of the factors considered, only being one's own fiscal agent is associated with a higher percentage of the budget coming from local sources.

Table 7 presents the relationship between the amount of federal and state funds in a budget and the four organizational factors. As with the total budget, those RESAs having the largest amount of federal and state funds are fiscal agents and have representation on the Board of Directors from an LDD and institutions of higher education. However, more diversity exists in the patterns than in the previous tables.

In summary, being a fiscal agent and having links to an LDD and institution of higher education can be associated with RESAs having larger

RESA	Total RESA Budget	Own Fiscal Agent	Representative of Institution of Higher Education on the RESA Board	Representative of LDD on the RESA Board	Receives Operational Support from State Agency
Cookeville, Tn.	$ 170,191				
New Albany, Miss.	$ 181,993		✓		
Huntsville, Ala.	$ 219,399	✓			
Morgantown, W.Va.	$ 263,487				✓
Canton, N.C.	$ 434,323				✓
Oak Ridge, Tn.	$ 495,230	✓	✓	✓	
Hazard, Ky.	$ 631,344	✓	✓	✓	✓
Cumberland, Md.	$1,038,642	✓	✓	✓	

TABLE 5: RESA BUDGETS FOR VARIOUS RESA ORGANIZATIONAL ARRANGEMENTS

RESA	Amount of Local Dollars in RESA Budget	Own Fiscal Agent	Representative of Institution of Higher Education on the RESA Board	Representative of LDD on the RESA Board	Receives Operational Support from State Agency
Cookeville, Tn.	$ 14,330				
Canton, N.C.	$ 20,000				✓
Huntsville, Ala.	$ 34,427	✓			
New Albany, Miss.	$ 63,525		✓	✓	
Morgantown, W.Va.	$ 80,000	✓			✓
Hazard, Ky.	$126,720	✓	✓	✓	✓
Cumberland, Md.	$215,387	✓	✓	✓	
Oak Ridge, Tn.	$313,722	✓	✓		

TABLE 6: LOCAL DOLLARS COMBINED THROUGH RESAs FOR VARIOUS RESA ORGANIZATIONAL ARRANGEMENTS

RESA	Amount of Federal and State Dollars in RESA Budget	Own Fiscal Agent	Representative of Institution of Higher Education on the RESA Board	Representative of LDD on the RESA Board	Receives Operational Support from State Agency
New Albany, Miss.	$114,868		✓	✓	
Cookeville, Tn.	$135,861				
Huntsville, Ala.	$165,172	✓			
Oak Ridge, Tn.	$181,508		✓		
Morgantown, W.Va.	$183,487	✓			✓
Canton, N.C.	$414,323				✓
Hazard, Ky.	$504,604	✓	✓	✓	✓
Cumberland, Md.	$820,527	✓	✓	✓	

TABLE 7: FEDERAL AND STATE DOLLARS COMBINED THROUGH RESAs FOR VARIOUS RESA ORGANIZATIONAL ARRANGEMENTS

budgets and obtaining more local, state and federal funds. However, information collected in site visits and telephone interviews have not provided evidence to indicate that larger budgets result from the existence of such organizational characteristics. Thus, while some patterns of association may exist relative to magnitude of funding, the reasons for the associations and the implications of them have not been determined.

b. Factors Related to Program Performance

In an attempt to identify organizational characteristics related to program performance, analyses were conducted to find cases in which the distribution of RESAs achieving success at one of the policy objectives was significantly different from the distribution of those same RESAs across the characteristic in question. Figures 2-4 present the results of several of the cross comparisons. The set of RESAs used in Figure 2 is the complete set of 23 that were studied. In Figures 3 and 4, only the 11 RESAs visted were used.

As can be noted in the three figures below, there are no outstanding patterns of association between the factors examined and a RESA's achievement in selected areas. This result does not imply that the factors examined make no difference in the performance of individual RESAs. For example, the existence of a formal relationship with a local university does not appear to be a necessary condition for a successful RESA cooperative purchase program. However, one RESA has taken advantage of its proximity and relationship to a state university in organizing a cooperative food purchase program through the school's food service department. The program has realized sizeable savings, and the university's participation

	Number of RESAs	Number of RESAs with Economy of Scale Programs
Institutions of Higher Education Represented on Board	14	5
No Higher Educational Institution on Board	9	4

	Number of RESAs	Number of RESAs with Economy of Scale Programs
Own Fiscal Agent	11	5
Not Own Fiscal Agent	12	4

FIGURE 2: TWO ANALYSES INVOLVING THE ECONOMIES OF SCALE PROGRAMS

	Number of Visited RESAs	Number of RESAs with Threshold Programs	Number of RESAs with Economy/ Efficiency Programs	Number of RESAs with Programs Increasing Quality/ Quantity
Operational Support from State	3	2	2	3
No Operational Support from State	8	3	6	8

FIGURE 3: AN ANALYSIS OF THREE POLICY ISSUES WITH RESPECT TO STATE SUPPORT OF RESA

Type Legal Status	Number of Visited RESAs	Number with Threshold Programs	Number with Economy/ Efficiency Programs	Number with Quality/ Quantity Improvements
Specific Authorizing Legislation	5	2	5	5
Non-Specific Legislation	2	1	2	2
Component of State Legislation	1	1	0	1
None	3	1	1	3

FIGURE 4: AN ANALYSIS OF THREE POLICY ISSUES WITH RESPECT TO RESA LEGAL STATUS

appears to have been largely responsible for the success. This utilization of such university resources does not appear to be replicated in other RESAs.

While examples can be found to demonstrate that some of the above factors can have an initial effect on the performance of an individual RESA, the cross comparisons indicate that the factors do not have a common influence on the achievements of RESAs. The influence of each factor is a function of local conditions. Those local conditions identified most frequently by RESA directors and their staffs as important are discussed below.

2. EXPERIENCES OF RESA STAFFS

During site visits and telephone interviews, executive directors and staff members were asked to identify what they found to be critical factors affecting the performance of their RESA. Several common themes could be identified which indicate the factors that the RESA staffs consider to have had an influence on RESA achievements. The five major factors that were identified in this manner are:

- o flexibility of the program
- o perception of needs by RESA policy makers;
- o attitudes of local school officials and their staffs;
- o existing service delivery patterns and capabilities; and
- o the availability of funds to RESAs.

a. Flexibility of the Program

An important factor, perhaps the most important factor, which has enabled RESA directors and their staffs to achieve their objectives

to maintain local support is the flexibility of the RESA program. The ARC guidelines for RESAs and the few state guidelines affecting RESAs have been quite unrestrictive, enabling each RESA to develop into an organization reflecting local attitudes. Experiences to date indicate that local school officials must have a positive attitude toward the RESA and feel it is their organization if they are to support it.

b. Perception of Need

The major factor influencing decisions on what programs should be undertaken and whether they are successful is the need for the programs as perceived by the RESA staff and those making policy decisions for the RESA. This situation is not surprising, given the strategy ARC has followed in initiating RESAs and the management strategy the Commission has fostered for them. In particular, as part of the first year planning contracts, surveys were requested by ARC to identify and prioritize needs which a RESA might later meet. Follow-on contracts then provided funds for the RESAs to operate and conduct programs that met those needs. In general, funding was not contingent on an ARC perceived need or on operating a specific ARC program.

c. Attitudes of Local School Authorities

The attitudes of local school officials and their staffs toward the RESA are important in determining not only the activities in which the RESAs engage, but often the success RESAs have in implementing those activities. While school officials view a RESA as a provider of services not currently available, they are sometimes reluctant to permit a RESA to operate a program which school districts regularly provide for themselves.

RESA directors have suggested that such officials either fear that the RESA is trying to take over the school districts' responsibilities, or that such actions by the RESA will make an individual school official appear less competent to do his own job. Another school official attitude, which has prevented some RESAs from initiating cooperative purchasing programs, is loyalty to local suppliers. That loyalty may be considered more important than the potential cost savings.

Classroom teachers' attitudes toward RESA staff can also play an important part in whether programs involving those teachers are successful, and even in whether or not they are implemented. At least one instance was identified in which teachers initially viewed RESA staff as outsiders telling them how to do their job, and were uncooperative.

d. Existing Service Delivery Patterns and Capabilities

Frequently programs that RESAs operate are designed to fill a gap in the services provided by another agency, or to make more accessible services provided elsewhere. The relationship a RESA establishes with such agencies is often crucial to the success of a RESA program. If a RESA is filling a gap, such as diagnosing handicapped children, it helps to know of the services available to treat the children and the willingness of other agencies to cooperate with RESA and school staffs.

The capability of an institution of higher education to provide services which can be utilized by a RESA in a program it operates or coordinates has been a factor in the success of such programs.

On the other hand, if a RESA continually initiates programs which duplicate services available elsewhere, it may eventually be viewed

as redundant or simply ignored by the very superintendents it has been formed to serve.

e. Availability of Funds

The inability to receive funding directly from a federal or state agency has been identified as a factor limiting the effectiveness of some RESAs. In a few states, education funds cannot be allocated directly to a RESA. Similarly, Local Education Agencies are specified as recipients of funds in some federal program authorizations, and, in some states, that specification has been interpreted to prohibit RESAs from receiving funds directly under those authorizations. In such circumstances, the RESA must depend upon an LEA making its funds available to the RESA. While this procedure is utilized in many cases, several RESA directors claimed that it limited their effectiveness. Reasons given for the limitations are: school districts are reluctant to turn over funds to which they have access; if a few LEAs object to the RESA involvement, they can veto the entire effort by withholding their funds; and additional costs are required to coordinate and manage the transfer of funds.

Another component to the funding problem is simply whether or not any funds are available for specific programs. Some RESA directors have identified local needs and designed programs, only to discover they cannot find the resources to fund the programs.

3. POSSIBLE ACTIONS TO INFLUENCE LOCAL CONDITIONS

In this section, each of the factors discussed in the previous section is presented, and actions suggested to influence or control those factors.

a. Flexibility of the Program

No specific actions need be taken to maintain the current flexibility that appears to be so crucial to the success of the program. Rather care must be taken to continue to guarantee it. Evidence indicates that neither ARC nor state departments of education should attempt to exert more control over RESAs and their operations. If ARC tries to exert too much control RESAs will be viewed by local educators as federal, rather than local organizations, and the risk of losing local support will be great. If state departments of education try to exert too much control RESAs also risk losing the support of local education who currently think of RESAs, at least in large part, as their organizations.

b. Perception of Need

While ARC or other government agencies may not be able to determine directly what "local perceptions" will or should be, there are techniques available which can be used to affect the manner in which the perceptions are formed, or indirectly influence the perceptions. These techniques include:

- Require or perform periodic needs surveys using methodologies that will obtain the views of a broad spectrum of residents and public service personnel. After the initial survey, RESAs tend to operate according to the original perceptions of needs, or the perceptions of those with whom they deal routinely as a result of the intitial set of programs.

- Influence the composition of those groups involved in formation of the perception of needs. RESA boards of directors and advisory committees become the primary mechanism for reaching decisions on what needs the RESA will serve. In general, these groups are dominated by local education personnel, and reflect their perceptions. In a few instances, actions have been taken to ensure that dominance and the maintenance of independence from other existing institutions. By encouraging representatives of other

institutions on the boards and committees, ARC and other government agencies have attempted to involve those institutions in the operation of the RESA. While several RESA directors claim to find the incorporation of these representatives in the decision process useful, the RESA experiences to date do not provide a basis for concluding that it is an effective mechanism for for having a common or predictable influence on the outcome of the perceived needs or the resulting range of RESA programs.

- Provide information on potential RESA activities. The perception of a need frequently follows from the identification of a RESA capability to deal with it. That is, knowledge of potential solutions leads to the realization that there is a problem which the RESA could address. Several RESA directors expressed a desire for information on activities that it would be appropriate for them to consider operating.

c. Attitudes of Local School Officials

Maintaining favorable local attitudes is a function most RESA directors assume for themselves. They do this by involving superintendents in decisions about what programs to offer, what schools, grades or teachers to involve in demonstration programs, by regularly publishing newsletters on RESA activities, and by soliciting assistance from a variety of sources, including business, industry and civic associations for RESA operated or coordinated programs.

ARC has attempted to influence local attitudes by funding specific programs, to build local support for and eventual assumption of the program.

Another technique which could be used to affect local attitudes is the dissemination of information on programs tried elsewhere. Information on successes and failures, on problems and their solutions, and on costs, could be used by RESA directors when trying to gain local support for programs.

d. Existing Service Delivery Patterns and Capabilities

Techniques used to achieve better cooperation between RESAs and local organizations include having joint committees, cooperative projects, and requirements for the cross review of certain planning documents. Except by requiring joint project review, usually by an LDD, there is probably little ARC or any government agency can do to affect these circumstances. Furthermore, the RESA program provides inconsistent and inconclusive evidence on the effectiveness of formal arrangements between RESAs and other local agencies in influencing RESA program activities. Productive cooperation appears to depend more heavily on personal relationship and a fortuitous match of need, capability and mutual interest.

e. Availability of Funds

This problem was often mentioned by RESA directors and their staffs as a serious one, and several solutions were suggested. They include:

- Enactment of state legislation that would enable RESAs to act as their own fiscal agents.
- Amending federal legislation in order to allow RESA-like organizations to qualify for funds on an equal basis with local education agencies.
- Provision of ARC demonstration funds for programs operated through RESAs.
- Assistance from ARC in obtaining information on federal monies available to fund RESA programs.
- Inclusion of RESAs in the process of planning how to spend ARC funds.

B. POLICY IMPLICATIONS OF RECENT RESA EXPERIENCES

The recent experiences of RESAs provide a basis for observations on

several issues concerning ARC activities in this area. Specific issues raised by ARC are:

- o Continuation of the program of funding RESAs.
- o Appropriateness of the current funding policy for RESAs.
- o Adoption of an information dissemination role by ARC with respect to RESAs.
- o Provision of programmatic support to achieve specific ARC objectives.
- o Use of RESAs for demonstration programs.

Each of these issues is discussed below.

1. CONTINUATION OF THE ARC RESA PROGRAM

The issue is whether ARC should continue to provide financial support for planning and initial operation of RESAs. The resolution of this issue depends upon ARC's objective for the program. Two observations on the issue are discussed below.

Observation: If ARC's objective for this program is to provide the opportunity for all school districts in Appalachia to be served by a RESA then funding should be made available in those areas not now served by a RESA.

At present, it appears that at most, five to eight additional RESAs would cover the entire Appalachian Region. Those RESAs would be in states in which the state departments of education have exhibited no interest in initiating additional RESAs. Several RESA directors in states with and without current state support, have expressed the opinion that the RESAs with which they are associated would not have started without ARC support.

At least, ARC could provide those remaining regions the opportunity to receive funding that it has given to the other 22. Since those regions

have not yet developed a RESA through other sources, it appears that initial ARC support might be necessary as a catalyst. ARC could conduct a survey among the LEAs in those geographic areas to determine if, in fact, this is the case.

Observation: If ARC's objective for this program is to demonstrate whether RESAs are appropriate agencies for Appalachia then there is no need to fund any new ones.

Over the last five years, ARC has made a sizeable investment in the initiation of RESAs in Appalachia. From the viewpoint of establishing the institutions, the effort has been successful. There now are regional education agencies in all the states in the region. ARC has directly assisted in the development of 22 RESAs in 10 of the 13 Appalachian states. Approximately 12 more RESAs have been established through state government efforts in states in which ARC initially had provided assistance in selected regions. Also, New York and Pennsylvania have had state organized RESAs for many years. Although ARC is no longer providing operational support to 14 of the 22 RESAs it has assisted since initiation of the program, those RESAs have continued to operate.

2. FUNDING POLICY

The issue is whether ARC should continue the current funding policy if it decides to continue the RESA program. Based on information collected during this study, the following observation has been made:

Observation: Evidence to date indicates that the current ARC funding policy has been adequate for initiating RESAs.

The ARC policy in funding RESAs has been to provide an initial contract

to cover 75 percent of the "actual and reasonable cost" of planning for the RESA. Subsequently, ARC provided contracts for operating the RESA on a demonstration basis according to the following funding schedule:

- First year: 90 percent of total actual and reasonable costs
- Second year: 75 percent of the first year's total actual and reasonable cost
- Third year: 50 percent of the cost
- Fourth year: 25 percent of the cost

Additional requirements for the fourth year have been that two-thirds of the state or local match funds be in cash, and that evidence be provided to the Commission that the state and/or local jurisdictions involved will assume full responsibility for funding the operations of the demonstration project after the fourth year of ARC funding. In theory, the contracts are for administrative costs. In fact, personnel supported under the contracts provide services ranging from repairing media equipment to assisting local education agencies develop plans for future operations.

This funding policy has been criticized by RESA directors for a variety of reasons. In particular, it has been argued that:

- The decreasing formula places too heavy a financial burden on state and local governments before the concept is proven.
- Termination is inappropriate since LDDs receive continuing support, and RESAs have a role similar to that of those agencies.

However, the fact remains that all ARC-assisted RESAs have been able to survive the withdrawal of ARC support without drastic changes in operations, and have attracted other sources of support. This outcome is in contrast to many federally sponsored projects that are not continued with local funds. Two factors seem to contribute to this outcome: the flexibility to shape the program afforded local participants; and the decreasing funding formula

which, in most instances, has forced local participants to increase their financial support. Thus, there is little or no evidence to argue that the funding strategy is inappropriate.

Part of the success of the RESAs in surviving the withdrawal of ARC funds is the capability to replace them with funds from a mix of federal, state and local resources. All three sources have proven to be appropriate alternatives after the cessation of ARC funding. The federal funds typically are for particular program activities, but they do provide sufficient funds to support a portion of the administrative costs of a RESA. For example, one RESA is supported almost totally with federal grants coming directly to the RESA or through the state. In three states, state agencies have provided both administrative and programmatic support. In other states, RESAs have access only to programmatic funds. Local funds go for both administrative and programmatic support. One RESA derives its administrative support from placing an overhead fee on the cost of services, paid for by local education agencies. Most RESAs derive local support through an assessment to member agencies, and charging a fee for services provided on an "as used" basis.

3. INFORMATION DISSEMINATION ROLE

The issue here is whether ARC should disseminate information to RESAs on programs which some RESAs have found "successful."

RESA directors have said that it is often difficult for them to find out how other RESAs have met the needs identified in their regions. Some directors have suggested that ARC could take a more active role in collecting and disseminating information on RESA operated programs. An observation on this issue is discussed below.

Observation: If ARC decides to assume the role of disseminator of information on specific RESA-operated programs there are two ways in which such information could be obtained and disseminated.

The discussion below describes the two roles which ARC could consider.

a. On the average, each RESA operates more than six programs per year. Periodic studies of those programs to document the role of the RESA, how the program can be initiated and operated, and the benefits derived from RESA involvement could be conducted by ARC and RESA staff at a cost of approximately $5,000-10,000 each. The studies would be descriptive and depend on existing documentation and interviews with local authorities. ARC could select from the dozens of programs operated by RESAs each year the ones on which they think RESA directors would most like information. The studies could then be made available to RESAs.

b. ARC could sponsor the publication of a periodic newsletter disseminated to all RESAs. All RESA directors could be asked to provide brief descriptions of the programs they are operating, including the benefits the participating school districts anticipate from the programs. ARC could then send to all RESA directors the newsletter containing these descriptions of operating programs. RESA directors interested in additional information on particular programs would contact directors of the RESAs operating those programs.

4. SELECTIVE PROGRAMMATIC SUPPORT TO ACHIEVE ARC OBJECTIVES

The issue is whether ARC should set aside funds for RESAs to operate programs designed specifically to meet ARC's objectives. Based on data that have been collected, the following observation is made.

Observation: If ARC wants RESAs to operate programs designed specifically to meet ARC's objectives, then ARC will have to provide funds for those programs.

RESAs can be effective in achieving results considered important to ARC. However, some RESAs have not attempted to achieve some of the particular results of interest to ARC--such as cost savings through economy of scale purchases or operation of programs for students. The reasons for such actions vary, but frequently reduce to the fact that the results in question are not of sufficiently high priority locally to warrant the allocation of the limited funds available. Either other activities are considered more important, or resources are not available.

Information disseminated by ARC on the value and feasibility of achieving a particular result may have some influence in altering priorities. However, making funds available for specific activities is likely to have more influence. Also, it may be necessary in order to overcome the lack of available resources.

At present, ARC does not develop specific programs or activity models for RESAs to implement. Previous attempts to establish priority funding areas have had some effect, but direct funding of prespecified projects may be necessary to have more RESAs achieve results considered appropriate by ARC than are doing so at present. Such a strategy would represent a substantial change in ARC policy towards RESAs. ARC would be exerting more control over the types of program RESAs operate, thus reducing the flexibility currently available to RESAs and the local educators who support them. Since this flexibility appears to be a key element in the success of the RESA program, reducing it could result in significant changes in the operation and level of local support for individual RESAs.

5. UTILIZE RESAs FOR DEMONSTRATION GRANTS

The issue here is whether ARC should set aside funds available only to RESAs for the funding of demonstration programs which the RESAs or local educators design.

The resolution of this issue depends in part upon the extent to which ARC views RESAs, once they are established, as neophytes needing additional assistance or organizations that should be able to compete with other organizations for ARC funds. Two observations on the issue are discussed below.

Observation: RESAs appear to have been successful in operating demonstration programs for local educators.

Much of the current activities of RESAs involve the operation of special projects that:

- are funded by non-local sources;
- are operated for demonstration or development purposes or to solve a one time problem; and
- could not initially be provided economically or efficiently by local school districts.

Examples of such activities are programs to introduce a new curriculum, establish a new service that, once operational, can be operated by local school districts or a third party (e.g., a computer center), or provide a one time infusion of special personnel to raise skill levels of local education personnel. Recent experiences of RESAs with these types of program indicate that they are typically well suited to RESAs. Reasons for continuing to utilize RESAs for demonstration grants include the need for a short term concentration of resources and skills or a large target population not available in most small districts.

Observation: In order to enable RESAs to continue to provide demonstration programs for local education agencies it may be necessary for ARC to set aside funds for the exclusive use of RESAs.

RESA experiences to date indicate that several states have not awarded ARC funds to RESAs or have not involved RESAs in the decision process that determines how the state's ARC funds are to be spent. There is no evidence that these practices will change. Therefore, if ARC believes that the use of RESAs for demonstration purposes should be encouraged special funds may have to be earmarked for the exclusive use by RESAs.

If, on the other hand, ARC believes that initial planning and operational support of RESAs should be sufficient to establish them in their regions, then it should not be necessary to designate any specific funds for RESA use. RESAs could compete for funds to run demonstration programs as they currently do for other program funds, or could seek funding from the local educators they serve. Although some state departments of education will not fund RESAs, those same departments often make available funds for local education agencies. Those agencies participating in a RESA can show their support of a RESA by combining their state funds through the RESA for demonstration programs. Thus, RESAs may be able to provide the demonstration programs which participating educators want without special funds from ARC.

C. FUTURE MONITORING AND EVALUATION ACTIVITIES

The Urban Institute has distinguished three types of monitoring and

evaluation activity which we consider appropriate for the ARC RESA program. They are:

- o Maintain current monitoring system with some modification.
- o Perform limited number of program or project specific evaluations.
- o Conduct periodic assessments of RESA activities.

Each of these types is based on specific assumptions concerning ARC objectives relative to RESAs and management uses for monitoring and evaluation information. Table 8 and the following discussion summarize the assumptions, uses and characteristics of the monitoring and evaluation activities that are being suggested for ARC. Additional information is presented in "Supporting Analyses for an Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program."[1]

1. MONITORING

At present, ARC monitors RESAs through quarterly and annual reports submitted by the RESA and with site visits by the ARC staff. The principal uses for monitoring information are to track compliance of the RESA with the ARC contract and to negotiate contract renewals.

The reports developed by the RESAs or from site visits are primarily narrative descriptions of activities being undertaken and problems encountered. Typically the reports are organized to provide information on each activity or objective identified in the contract. Information on the quality, effect and impact of the activities most often is a matter

1. John D. Waller et al. "Supporting Analyses for an Assessment of the Appalachian Regional Commission's Regional Education Service Agencies Program," Paper 5048-4-02, July 12, 1976.

Evaluation/Monitoring Approach	Management Objectives	Management Actions	Information Needs	Information System
I. Modification of Current Monitoring System	Initiate RESAs that meet locally defined needs for services (but under broad guidelines of what constitutes a RESA).	Negotiate initial contract in response to local proposals.	Organizational and budget information on the RESA.	Minimum amount of data on budget and organizational characteristics of the RESA.
		Negotiate renewals in response to local proposals.	Verification that planned activities are carried out.	Quality control exercised by site visit and use of third party on annual report.
	Fund activities proposed by RESAs.	Determine compliance with contract.	Verify local satisfaction with the RESA's activities.	
II. Program Specific Evaluation	Utilize RESAs to implement specific ARC programs and projects on an experimental and demonstration basis to test utility and motivate further adoption by other RESAs.	Develop model project to be demonstrated.	Monitoring and evaluation results on similar projects or programs--if they exist.	Existing monitoring system and literature searches.
		Fund implementation of the model.	Evidence of capability to implement the model.	
		Provide technical assistance or curtail funding if demonstration project is not implemented and evaluated as planned.	Indicators of progress in carrying out prescribed activities--including evaluation.	Quarterly reports structured to provide pre-agreed-to evidence of occurrence of planned activities.
		Facilitate further implementation through documentation of project for replication, or by funding of replication or continuation of the projects.	Evaluation data to demonstrate achievement of desired results and determine whether the outcome is due to the project.	Experimental design type of evaluation to resolve attribution question and confirm the outcome.
III. Periodic Assessment	Affect RESA operations by dissemination of information on activities and organizational structure of other RESAs.	Organize and distribute information on RESAs and RESA activities.	Descriptive information on RESA activities and organizations.	Annual survey of RESA activities and organizations, with narrative descriptions of major type of activities.
			Evaluations of the effectiveness of RESA programs in selected education areas.	Periodic assessment of RESA impact on selected education activities and methods used to achieve the impact.

TABLE 8: POSSIBLE EVALUATION AND MONITORING APPROACHES FOR ARC

of the subjective opinion of those providing or verifying the report. In order to increase the validity of such assessments, several RESAs have used teams composed of educators not on the RESA staff to prepare the annual report.

This approach to monitoring generally appears appropriate and necessary given the manner in which the RESA program has evolved and been managed. RESAs propose and define the activities to be undertaken and implicitly set the success criteria. Once ARC concurs with the proposal through the award of a contract, monitoring reduces to documentation that the proposals are implemented. Many of the RESA reports discuss the operation of activities and objectives in such general terms that the existence of a RESA staff is nearly equivalent to the successful achievement of the activities and objectives. This type of report is more a function of the original contract than of the reporting system and would possibly change if more measurable objectives and activities were included in the contract.

One problem, raised by the ARC staff, concerning current monitoring efforts is the lack of uniformity among the reports that are generated. Although this is due primarily to the characteristics of the ARC funded RESAs, some improvement could be made, in part, by the imposition of some standard structure and set of definitions by ARC. ARC could initiate a system of uniform monitoring in which all quarterly and annual reports adhered to some standards, were all reviewed by one monitor, and were then circulated among all RESA project monitors so that each monitor would be aware of activities and problems in other RESAs.

In an attempt to introduce some uniformity in the reporting information, ARC introduced requirements for information on the number and type of individuals served by the RESA. Due to the variety (in terms

of number, amount of service, what constitutes service) of services provided, the information cannot be combined and compared accurately. In order to make comparisons among RESAs or aggregate data from several RESAs, more explicit definitions are required. However, such an effort is quickly limited by the variation among RESAs and the activities sponsored, and does not appear to be warranted for monitoring purposes. Standardized data collection should be restricted to common budget items which describe the size of expenditures and source of funds. If ARC has a continuing interest in RESA activity in the different types of program identified in the policy questions for this study, then expenditures could also be classified using the definitions adopted in Chapter II.

A second problem identified with the existing monitoring system is the availability of information for staff use. Monitoring responsibility for the RESAs is divided among the education division staff, and information exchange between the monitors is limited. In collecting information for this study, problems were encountered in obtaining a current list of funded RESAs and recent monitoring reports. Typically, one monitor was not aware of the activities of a RESA being monitored by some other staff member. When questions are raised by a RESA director or ARC staff member or someone else concerning RESA programs, difficulties are encountered in providing answers, even though the information may exist in several persons' files or minds.

This problem is primarily administrative and possibly could be solved by such techniques as:

- having one person responsible for a comprehensive RESA file and quality review of all monitoring reports,
- circulating monitoring reports as developed, and
- production and circulation of a monthly summary status report covering all funded RESAs.

In order to meet ARC's information needs (if it continues to operate the RESA program as it has over the last few years), it appears appropriate to continue the current monitoring approach with the following characteristics:

a. In the contract, incorporate with activity and objective statements: quantatative or qualitative measures (evidence) that will be used to determine success; data or sources of information that will be used to support the measures (or provide the evidence).

b. On an annual basis, use a standard form to collect information on the operation of the RESA itself (e.g.: cost of operation; source of funds; size of staff).

c. Require quarterly reports from the RESA on achievements relative to activity and objective statements in the contracts. Reports of achievement would use the measures and data sources agreed to in the contract negotiations (see Step 1).

d. Utilize ARC staff for site visits to RESAs to verify and supplement the information provided on quarterly reports.

e. Summary final reports from the RESAs, produced by the RESAs or a third party that: summarize the quarterly reports to assess extent to which activities have been carried out and objectives met; and contains a subjective assessment of the impact of the RESA, and reasons for problems and successes relative to the initial projections on activities and objectives.

f. Designate a staff member responsible for comprehensive RESA file, periodic summary reports on all RESAs, and quality control on reports obtained by the staff monitors.

2. PROGRAM SPECIFIC EVALUATIONS

As a result of recent changes in the ARC legislation, ARC has more flexibility in funding demonstration projects and programs than was previously feasible. With the new legislation, the education division of ARC expects to fund a variety of demonstration and experimental projects through the RESAs. The purpose of such grants will be to test specific projects and, if judged successful, motivate the further adoption of them on a continuing basis independent of ARC funding. The ARC interest

is more in the project being demonstrated than in the RESA itself. This contrasts with the previous case where the entire RESA operation was the focus of the monitoring and evaluation. These may be single-site projects or projects which are implemented in several sites simultaneously.

For demonstration projects, evaluation is the means of documenting and transferring the project experiences. As such, the evaluation is a component activity of the demonstration effort. Since ARC does not have the staff to conduct evaluations, funds will have to be made available for either the project or a third party contractor to perform the task. The advantage usually cited for third party evaluators is increased objectivity and expertise in evaluation techniques.

Whoever performs the evaluation, their role in the project and an evaluation design should be defined in sufficient time to develop a study design and obtain concurrence from ARC and the grantee, prior to initiation of the project. Appropriate data could then be collected or maintained as the evaluation proceeded in order to avoid the data gaps routinely encountered in many studies initiated without prior planning.

Due to the variability in projects, it will be necessary to tailor the evaluation designs to the projects. If the evaluation focuses on documenting the process activities of the project and can use existing data on outcomes, then the cost of the evaluations are likely to be in the range of $5,000 to $10,000 per project. Examples of output data maintained by some school systems which an evaluator could arrange for a project staff to obtain are student test scores, attendance figures, and the cost of operating various programs.

If needed output data are not available or arrangements cannot be made for the project to obtain them, then the cost of the evaluation will

increase. In such cases, evaluation costs of between $10,000 and $20,000 are most likely. Also, if questions of project impact or the attribution of results to project activities are to be examined, then it may be necessary also to utilize experimental designs as part of the evaluation, in which case data collection from sources other than the organization sponsoring the project may be required, which will further increase costs.

In monitoring demonstration projects, ARC should monitor both the implementation of the demonstration activities and the evaluation. The latter would include tracking the collection of data, quality control activities, analysis and report production. If other RESAs or education agencies are to benefit from the demonstration efforts, ARC also will have to develop some mechanism for disseminating evaluation results.

3. PERIODIC ASSESSMENTS OF RESAs AND RESA ACTIVITIES

ARC no longer provides general administrative and operational support contracts to 14 of the RESAs initially funded. Also, the area in Appalachia without RESAs is quite limited. Consequently, over the next several years, the ARC role in the general support of RESAs will begin to decrease and eventually phase out. Under such conditions, ARC would no longer have responsibility for monitoring or evaluating a significant portion of the Appalachian RESAs. However, some ARC staff members have indicated an interest in continuing to assess RESA operations for such purposes as: verifying that they continue to serve a useful purpose and identifying activities that are best provided on a regional basis.

The assumed management objective in performing these assessments is to affect operations of a RESA by disseminating information on the activities and organizational structure of other RESAs. At present, ARC

performs this function primarily by word of mouth and by negotiating contracts with those RESAs still being supported.

Two types of potentially useful information are:

- o descriptive information on RESA activities and organizations, and
- o evaluations of the effectiveness of RESA programs in selected areas of education.

The first type of information would provide a status report similar to that developed in this study. It could be used to identify projects that are found to be feasible and desirable for RESAs to operate, and to estimate the results in terms of cost savings and increases in services. The second type of information would provide a basis for supporting decisions to adopt specific projects in the evaluated program areas, and provide information to guide the adoption of them. This type of information could be produced through project and program evaluations as discussed above.

The descriptive information on RESA activities and organizations could be obtained through periodic surveys of RESA directors. The information could be based on the "authority" of those most familiar with programs: RESA directors, program directors and local school superintendents. This appears an adequate course for the intended uses. Furthermore, documentation of the information would be beyond the ARC staff resources and probably beyond those of the RESAs, since most would not be receiving general administrative and operational support from ARC.

In conducting the survey, ARC could utilize telephone interviews and site visit procedures developed in this study. Also, the models and measures used to answer the policy questions for this study could be used as a basis for the design of data collection instruments and analyses for the periodic survey. Through this survey, ARC could fulfill an information

dissemination role for RESAs and periodically update the answers to the ARC policy questions given here. Separate studies to evaluate the policy questions in the future do not appear to be warranted on the basis of future ARC information needs.

Of the three types of monitoring and evaluation activities just described, only the first--continuation of the current monitoring activities--is essential. The usefulness of the program evaluations and periodic surveys depends on the capability and willingness of ARC to adopt an information dissemination role relative to education.

IV. THE "MODEL" RESA

The Appalachian Regional Commission has raised several questions about the characteristics of a "model" RESA. ARC's RESA program has encouraged the initiation and establishment of RESAs exhibiting a wide variety of characteristics. Questions about a "model" RESA are not meant to identify the "best" of those characteristics or the "ideal" RESA. The program was neither designed nor operated as an experiment to test alternative characteristics. However, an examination of the current characteristics and activities of the ARC-assisted RESAs has identified the major options that exist on such issues as institutional and administrative structures, relationships with other institutions, and the functions, activities and programs undertaken. These options, as currently realized by RESAs, are presented in detail in "Report on Regional Education Service Agencies in Appalachia,"[1] and are summarized below as the range of alternatives available to RESAs.

RESAs are basically simple structures--an executive director, board of directors and staff--organized to meet local needs as perceived by the participants. Their basic objective is the provision of services which individual school districts could not provide or which those districts feel could be provided better or more efficiently or economically on a regional basis. Chapter II of this report discussed the extent to which RESAs achieve this basic objective. The success of a RESA most frequently is measured in terms of the continued support of participating school districts.

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1. John D. Waller, Dona M. Kemp and John Scanlon. "Report on Regional Education Service Agencies in Appalachia," Paper 5048-3-02, August 5, 1976.

The discussion in this chapter identifies the options that exist on issues which are common to many or all RESAs. The information provided is intended to provide guidance for RESAs as they adopt the model most appropriate for them.

The selection of a particular option often has been a function of local conditions and attitudes when the RESA was established. Such attitudes appear to govern on-going decisions concerning the RESAs. However, problems and benefits frequently can be identified for the various options, and some agreement does exist on what are desirable characteristics of a RESA--even if some RESAs choose not to modify the existing organization to achieve them. Using this information, the following observations on the composition of a model RESA are provided. It must be kept in mind, though, that for every generalization on a specific issue, there is an exception or mitigating circumstance that argues for another resolution of the issue. This is due in part to the flexibility which RESAs have been permitted to exhibit.

The discussion of the model RESA is in terms of the following issues that have been raised by ARC and RESA personnel:

- o institutional structures,
- o administrative arrangements,
- o procedures for ensuring local input into the operation of a RESA,
- o relationship with Local Development Districts (LDDs),
- o relationship with other human resource agencies, and
- o functions, activities and programs appropriate for RESAs.

The first five issues involve the organization and operation of a RESA, and are addressed in Section A. The last issue is concerned with what a RESA does, and is covered in Section B.

A. ISSUES CONCERNING THE ORGANIZATION AND OPERATION OF A RESA

In the ARC questions for this study and through interviews with ARC and RESA personnel, several issues concerning the organization and operation of a RESA were identified. The following discussion of the issues presents: alternative resolutions of them; problems or benefits that have been encountered; and characteristics associated with a model RESA resolution of the issues. In general, the model characteristics are based on the experiences of RESA personnel and local educators. Conclusive patterns of performance on the operation of selected activites that could be associated with alternative resolutions of the issues to support the selection of model characteristics were not evident among the ARC-assisted RESAs.

1. LEGAL RELATIONSHIPS WITH OTHER INSTITUTIONS

As operating institutions, the ARC-assisted RESAs were designed to have: a Board of Directors that is responsible for the operation of the RESA and is representative of the agencies cooperating in the RESA; an executive director responsible to the Board; and a staff that works under the director to provide the services for which the RESA has been established. While this general structure is considered basic to each RESA, the ARC-assisted RESAs follow one of three different legal structures:

- Independent: The RESA is an independent legal entity recognizable by the state government and capable of receiving and expending public funds. The Board of Directors has sole responsibility for the organization and controls its policies.
- Sponsored: Legally, the RESA is sponsored by some existing institution (typically a member local education agency [LEA]) that acts

as the fiscal agent for the organization. Technically all funds are controlled by the fiscal agent, and the staff are employees of that agency. However, the RESAs essentially operate independent of the fiscal agent and follow policies established by their Boards.

- o Institutionally Linked: The RESA is legally and organizationally a component of an existing institution--either a state level agency or a local development district. The RESA Board still makes most of the policy and operational questions, but in cooperation with or as advisor to, the parent organization.

In practice, some RESAs are blends of the above three types. RESAs that are institutionally linked to a state agency also operate a few prorams as if they were either a sponsored or independent type of RESA. However, one of the types usually describes the institutional structure used to provide most of a RESA's services and cover its administrative costs.

The remainder of this section discusses some of the factors that have led RESAs to adopt their institutional structures, some advantages and problems identified with those structures and finally, the structure associated with a "model" RESA.

a. "Independent" Structure

The "independent" structure technically provides a RESA greater freedom in setting policies and operating programs. This structure enables a RESA to act as its own fiscal agent and places upon it management and financial responsibilities. Fiscal agent responsibilities can sometimes be a burden to a RESA, since many RESAs initially cannot handle the cash flow problems encountered by organizations that are paid upon receipt of services. The advantages identified for the independent structure center around the freedom that the RESA has to pursue courses of action its staff and board selects, without having to obtain further clearance from other agencies. Also, the independence is thought to minimize preferential

treatment by the RESA to any one member agency. The independent structure appears to have been adopted whenever legally and financially feasible.

b. "Sponsored" Structure

The use of legal and fiscal agent sponsors for RESAs is primarily the result of a lack of state legislation permitting independent incorporation. In most cases, the sponsor relationship is primarily through the fiscal agent role, with policy and administrative control carried out by the RESA Board. This is sometimes viewed as an advantageous arrangement because it enables the RESA to avoid tasks, such as detailed bookkeeping, associated with acting as a fiscal agent. However, several RESAs duplicate the bookkeeping activities of the fiscal agent in order to control expenditures and check the fiscal agent. In any case, a minimum level of bookkeeping is required by the RESAs to permit the fiscal agent to manage the cash flow.

The major problems with using a "sponsored" structure involve minor irritations over not having ready access to fiscal information, and not being able to quickly resolve fiscal problems. Some RESA Directors and boards expressed concern over the need to conform to the sponsor's policies or the potential for disagreements, specifically on personnel policies and program interests. Such problems have led a few RESAs to switch sponsors. In one region, a local junior college was selected by the RESA instead of an LEA to avoid being identified with one of the school systems it is to serve.

c. Institutionally Linked

In two states, the RESA directors and many of the staff have been employees of the state Department of Education. In North Carolina, the RESAs are organized as components of the state department, with RESA directors being considered part of the state superintendent's "cabinet."

In Kentucky, the RESAs also have been components of the state Department of Education, but appear to have had greater independence. For example, unlike the North Carolina RESAs, the Kentucky RESAs can be structured under existing state legislation as independent legal entities. Using that authority, the Kentucky RESAs act as their own fiscal agents on several programs, and have established boards of directors that include noneducators.

Although linked to state departments of education, the RESAs in Kentucky and North Carolina have not relinquished control over all their programs to those state departments. RESA policy and activities unrelated to state functions are governed by the local participating educators.

As an alternative type of RESA, ARC has recently awarded planning and operational contracts to the education committee and staff of the Local Development District of Greenville, South Carolina. While the arrangement has resulted in a RESA like organization, local personnel have expressed the opinion that it probably will be necessary for it to become more independent of the LDD before the local superintendents will begin providing extensive support for it.

In one region where the RESA had been initiated as part of the LDD, the local superintendents decided that it would be necessary to structure the RESA independent of the LDD before they would take responsibility for supporting it financially.

The major advantages identified for the institutional link to an existing agency are: financial support; more efficient utilization of the existing institution's resources; and technical and administrative assistance and support when needed. No major problems were identified with the state

support of the RESAs; however, several persons, including RESA directors and their staffs and state department of education personnel, expressed concern over the potential lack of local control and the creation of an unnecessary bureaucratic level between state and local levels of government that could stifle communication between the two levels. Persons interviewed in Kentucky and North Carolina did not believe that this problem had been realized; in fact, most believed that communication between the local and state levels increased.[1] RESA staff interviewed in other states claimed that "their boards of directors and superintendents" would never allow such close cooperation and control by the state Department of Education as has existed in North Carolina and Kentucky. In particular, several RESA directors indicated that it was a mistake to identify the RESA with the state Department of Education as do some Kentucky and North Carolina RESAs in the letterhead of the stationery used, in public signs, and in answering the telephone.

o "Model" Institutional Structure

The effect of utilizing one or another of the institutional structures on the type of activities undertaken appears to be minimal. The only major difference appears to be that those RESAs institutionally linked to the state become involved in the delivery of "state" services. The RESA directors have administrative and program links to the state level administrator, and actually deliver or coordinate state services, whereas the RESAs in the independent or sponsored RESAs rarely have such a role. In terms of program effectiveness, efficiency or satisfaction of members of the RESAs, the type of institutional structure does not appear to be significant.

1. Several persons attributed the growing capability of local education agencies to have access to and affect state level bureaus by working cooperatively through the RESA as a major reason for the state's decision to eliminate the state funding of the RESAs in Kentucky for fiscal year 1977.

However, RESAs with larger budgets tend to have "independent" type structures. Also, those having larger amounts of local funds or federal and state funds have the "independent" type structures. Although these relationships have occurred, no causal links between budget size or source and institutional structure have been identified.

Based on the actions and perceptions of persons associated with a RESA, the most desirable institutional structure is the "independent" type, with financial support and authorization from the state to perform selected functions. Achieving such a relationship is like "having your cake and eating it too." RESAs institutionally linked to the state governments achieve the financial support and authorization aspect of such a relationship, but share responsibility for policy with state administrators. However, the sharing of responsibilities does not appear to be a problem since it has not led to conflicts and local boards have maintained de facto control of activities.

In general, the ability of the RESA Board to have de facto control over the RESA activities appears to be the "model" aspect of all three institutional structures described above. If that can be achieved, then whichever of the above structures is dictated by existing legislation and state level administrators' "attitudes" appears to be acceptable. Local control over RESA operations is more than just the "model" aspect of these institutional structures. Such control appears to be a necessary condition for continued local support of a RESA.

2. INTERNAL ADMINISTRATIVE STRUCTURES

The administrative structure of most RESAs is quite simple. That structure consists of a board, an executive director, and staff reporting

directly to the director. In the larger RESAs, the staff is organized according to activity areas, each with a manager responsible to the executive director. In some RESAs there is an administrative assistant to the director who has responsibility for such items as program development, support staff of the RESA, planning, research and evaluation, and the management of some service activities.

In those RESAs that are institutionally related to an existing organization, many of the typical administrative functions are prescribed by that organization. For example, the Kentucky State Department of Education developed an administrative manual for RESAs, and in North Carolina the State Department of Education administrative manual is utilized. RESAs in the sponsored category frequently adopt the administrative practices of the sponsor. Other RESAs have had to develop administrative procedural practices and manuals on their own.

The typical administrative functions that must be performed by a RESA are:

- Adopt and implement personnel policies, developed by the RESA or applicable to it.
- Hire (with Board approval) and assign staff, and oversee the staff operations.
- Develop a budget and monitor its implementation.
- Directly handle (or arrange for a fiscal agent to handle) fiscal issues, including obtaining and disbursing funds.
- Determine regional service needs that the RESA could provide and develop proposed programs to meet the needs.
- Monitor and evaluate programs and report progress to the Board.

Most of these are performed routinely and cause RESAs no major problems. However, the issue of who will act as fiscal agent for a RESA was mentioned frequently by RESA directors as important and therefore is discussed below.

The fiscal agent is one who actually receives and disburses funds and is legally responsible for them. Of the 23 RESAs studied, 19 utilize more than one fiscal agent. Eleven act as a fiscal agent for all or a portion of the funds in their budget, seven utilize a state agency, and thirteen utilize a local education agency. Three utilize an LDD, and one a junior college. In general, the decision to utilize an agency other than the RESA as a fiscal agent appears to be the result of a lack of legislation which permits the RESA to exist as a legal entity. In a majority of those RESAs that were visited, and do not now act as their own fiscal agent, the staff indicated a desire to do so.

The benefits identified with being one's own fiscal agent centered around the independence it affords from existing organizations that could in some way limit the RESA's activities, the capability to have closer control over the budget, and elimination of payment delays.

The benefit identified with not being one's own fiscal agent was the potential freedom from the odious tasks of detailed bookkeeping, writing checks, etc.

Problems, identified by RESA personnel, with acting as one's own fiscal agent are:

- Cost: Most RESAs indicated that one or two people would be or are required to act as a bookkeeper.

  However, several RESA directors using other institutions as a fiscal agent felt a need to have their own bookkeeper anyway. They consequently believed that total costs associated with fiscal affairs could be reduced by eliminating the duplications.

- Cash Flow: Several RESAs claimed an inability to maintain needed cash reserves, since many payments follow delivery of services.

Problems identified with using another organization as a fiscal agent are:

- o Cost: Many RESAs thought they could perform the service at a lower cost. At least three RESAs pay the fiscal agent a fee for the service. Payments are as high as $9,000 per year.

- o Control: The fiscal agent legally exercises control over the funds and RESA employees. On occasion this has been claimed as a restriction on the RESA's capability to operate the agency as the director or board desire.

- o Public Relations: The existence of each RESA depends on the cooperation and good will of local education agencies, but being a fiscal agent is unrewarding for a school district and it can lead to disagreements.

- o Inconvenience: If the fiscal agent is not co-located with the RESA, coordination can become a problem. Travel time and incompatible work schedules may cause some inconvenience.

While some RESA directors may have strong opinions on who acts as fiscal agent, the use of alternative fiscal agents does not appear to have a consistent effect on the types of programs operated by the RESAs. No definitive pattern of association between particular types of fiscal agents and particular types of RESA performance has been distinguished.

RESAs that act as their own fiscal agents do appear to have larger budgets with larger accounts coming from both local sources and a combination of federal and state sources than RESAs that do not act as their own fiscal agents. However, there is no evidence to suggest that a RESA with the ability to act as its own fiscal agent will necessarily have a larger budget.

- o "Model" RESA

At a minimum, the RESA needs to establish some administrative chain of responsibility from the staff delivering services through the executive director to the Board. Due to the limited size of RESAs, it appears unnecessary and inefficient to have more than one management level between the executive director and any staff person.

The minimum staff for routine administrative functions appears to be the executive director and a secretary. As the RESA grows in size or as an executive director becomes more involved in the operation of a specific program, then the need for an administrative assistant increases, if the planning and development activities are to be continued.

The staff requirement for handling fiscal affairs appears to vary significantly among RESAs, and to be independent of whether the RESA is its own fiscal agent. The personnel requirements vary from the director's secretary handling the books on a part-time basis to a full-time bookkeeper. In general, the minimum requirement appears to be about one-quarter of the time of a person having some accounting experience. As the RESA gets into programs or services that involve a large number of disbursements or payments, more bookkeeping time is required. However, such increases are a direct result of the specific program and not related to the general administration of the RESA. In general, most RESA directors indicated a desire to have the capability to act as a fiscal agent. However, about half appear to be satisfied with the use of an LEA or state agency.

Based on recent experiences, the administrative cost of supporting a RESA is in the range of $40,000 to $50,000. The actual amount required by a particular RESA will depend on local salary scales (e.g., most executive directors appear to have salaries in the middle range of those of the local superintendents), and the amount of time that the director and staff allocate to particular program activities.

The composition of a RESA's board of directors is discussed in the following sections.

3. ENSURING LOCAL INPUT TO RESA OPERATIONS

The primary purpose for a RESA to exist is to provide educational services appropriate for the needs of its region. By their actions or statements, all RESA directors recognize that in order to provide useful services, local input to the RESA's operation is needed in the form of both financial resources and guidance. ARC forced some local input by requiring local match funds for the planning and operating contracts and by requiring some sort of needs assessments.

The ARC-assisted RESAs have subsequently developed several techniques to achieve local input in the form of guidance and cooperation:

- o Boards of Directors Controlled by Local Officials

  Table 9 displays the composition of RESA Boards. As can be noted, most Boards are dominated by representatives of local school systems--usually by superintendents. Typically, there are at most one or two on each Board that are not representative of a local institution or populations. Most Boards meet monthly, vote on all issues concerning RESA operations, and receive status reports for on-going activities. In this regard, they play a role similar to the school board of local education agencies.

  Nearly all directors indicated that the reactions of the board members was the primary means of determining if the RESA was functioning properly, and of receiving local guidance.

- o Advisory Boards

  Several RESA directors stated that the majority of the input to the RESA from a member school system is through staff working in an advisory capacity to the RESA board or staff. This fact was confirmed through interviews with superintendents. Nearly all RESAs have advisory boards for specific areas of activity.

- o Staff Solicitation

  RESA directors frequently see their main role as a liaison with the heads of local agencies. Some meet privately with school superintendents monthly and most maintain routine telephone contact. In this manner, they collect ideas, identify needs, and propose solutions. Similarly, the staff has frequent contacts within the school systems that provide a mechanism for determining the needs and wants of the LEA staffs.

Location of RESA		Total Size of Board	Local Education Association Superintendents	Local Education Association Board Members	Representatives of Higher Education Institutions	LDD Representatives	State Level Personnel	Social Service Agency Representatives	Other
Ala.	Huntsville	9	8	---	---	---	1	---	
Ky.	Ashland	16	9	---	3	1	1	2	
	Barbourville	24	16	---	5	1	1	1	
	Morehead	16	11	---	3	2	---	---	---
	Hazard	18	11	---	4	1	1	1	
	Prestonburg	15	7	---	4	1	1	2	
Md.	Cumberland	11	3	---	6	1	---	---	1
Miss.	New Albany	20	14	---	2	1	3	---	
N.C.	Canton	19	19	---	---	---	---	---	
	N. Wilkesboro	38	19 + 19 Asst. Supt.	---	---	---	---	---	
Ohio	Athens	20	11	---	3	2		2	2
	Mt. Orab	7	2	---	---	---	---	---	5
	Piketon	22	16	---	1	1	1	1	3
	St. Clairsville	17	17	---	---	---	---	---	---
S.C.	Greenville	18*	6	---	2	---	1	---	9
Tenn.	Alcoa	17	7	7	---	---	---	---	3
	Cookeville	14	14	---	---	---	---	---	---
	Harrogate	11	4	4	2	---	1	---	---
	Johnson City	26	13	13	---	---		---	---
	Oak Ridge	13	8	---	4	---	1	---	
Va.	Norton	14	5	5	3	---	1	---	---
W.Va.	Martinsburg	13	8	8 (Alternates to Superintendent)	1	---	1	3	
	Morgantown	25	12	12 (but only Superintendent or Board Member votes)	---	---	1	---	---

*Two of these directors are also members of the LDD Board of Directors.

TABLE 9: COMPOSITION OF RESA BOARD OF DIRECTORS

- Jointly-staffed Activities

  Some RESA services involve RESA personnel and local LEA or human resource agency staff members working together on a project activity. This union of effort provides a mechanism for continual interaction and input to the provision of a service.

- Formal Surveys or Needs Assessments

  As part of an ARC planning grant, needs assessments are to be conducted. Some are performed through surveys of persons working locally in education. Others are done through a series of workshops and meetings with local educators. A few of the surveys are limited to meetings with superintendents. Typically, from the assessment, a list of priority areas for action is identified.

  Most RESAs operate on a yearly planning cycle which begins with the production of a budget and list of proposed activities for board approval. Once the initial needs assessment is conducted, many RESAs depend on one of the above approaches to update the original assessment and produces the yearly plan. Only in a few instances have formal surveys been conducted after the initial year.

  Several RESAs have adopted planning techniques such as: each month review a service area; hold a yearly "board retreat"; or set aside one or more meetings for assessing progress and determining needs.

Local financial support is provided through in-kind services, monetary payments, materials and facilities made available to the RESA.

In-kind contributions include the time superintendents spend on RESA-related activities and meetings, LEA staff time when participating in RESA services away from their regular duties, and support services provided by the school system.

The three methods used to obtain monetary payments are: a flat fee for each participating agency, a per student assessment, and a purchase order basis.

Several RESAs operate out of LEA buildings provided either at reduced rental rates or free. The expenses for the use of the facilities typically are calculated as a contribution to the RESA.

Of the three types of support, the monetary payment is the most difficult to obtain and rarely goes above a few thousand dollars per school district unless specific services are being paid for on a purchase order basis.

- o "Model" Approach

Each of the above approaches can be useful and provide a mechanism for local input. At a minimum, the board of a RESA should be constituted and function in a manner that will permit the local education agencies to monitor the progress of RESA activities, review proposals for future activities, and provide input on the future direction of the RESA. Those RESAs with larger budgets tend to have representatives of institutions of higher education and LDDs on their boards. RESA relationships to those organizations are discussed in the next two sections.

The easiest way to ensure full representation of all LEAs on the board is to include a person from each, usually the superintendent, on it. However, some RESAs serve such a large number of LEAs that such a board would be too large. In those cases, most RESAs have established a system whereby adjacent school districts elect one of their superintendents to be their representative on the board.

Several superintendents or other board members indicated, through answers to questions on RESA activities or by specific statements, that they were not familiar with RESA activities. Thus, in order to obtain input from persons who are more familiar with RESA activities or familiar with areas of potential RESA activity, it appears necessary to have:

- o advisory committees of LEA staff members to provide input on areas related to their expertise, and
- o periodic surveys concerning performance of current services and needs not being met.

Financial input appears to be best handled by a flat assessment plus a user fee to cover the cost of services actually utilized. The flat fee, assessed for all member institutions, ensures a minimum commitment and increases the chances of active involvement of the institution. The user fee serves to distribute the costs more equitably among the participating school districts.

4. RELATIONSHIP TO LOCAL DEVELOPMENT DISTRICT

The relationships existing between ARC-assisted RESAs and ARC-funded LDDs range from none to RESAs being a component division of an LDD. The five major types of relationships that can be identified are:

- o no formal (or informal) contact between the organizations,
- o LDD performs A-95 reviews for the RESA (or vice versa for all education related projects),
- o representation on each other's Board of Directors,
- o RESA acts as the "education planners" for the LDD, and
- o RESA is a component division of the LDD.

As listed, the types represent increasing levels of involvement between the RESAs and LDDs. Typically, there is little joint operation of programs or activities involved in the delivery or administration of education services.

Based on the observations of RESA operations and perceptions of LDD and RESA staff, the following benefits can be attributed to close working relationships with the LDD:

- o access to, or at least participation in the planning for the expenditure of, a wider range of federal funds that can be spent for education purposes, e.g., Law Enforcement Assistance Administration and Department of Labor grants coordinated through regional planning agencies,
- o utilization of specialized staff capabilities maintained by each type of organization,
- o avoid duplication in planning and needs assessment activities, and
- o incorporation of education needs and resources into the overall regional development effort.

Problems that were identified with establishing a formal relationship are:

- o control of education policies by noneducators (or at least a major planning role by noneducators),

- o allocation of limited RESA staff resources in areas not of direct interest to the RESA, and
- o loss of independent route to obtaining ARC and other federal funds while not obtaining adequate LDD support for receipt of such funds.

In general, many RESA directors appear to be suspicious that establishing too close a relationship with LDDs will limit their independence in adopting and following through on activities of their choice. However, while competition and tension exist between some RESAs and LDDs, the situations appear to be related to local personalities, and no evidence of such problems being common was encountered.

Few RESAs appear to have had serious problems with LDDs, and only two have taken specific steps to increase their independence of LDDs in order to avoid the potential problem of who has the ultimate control of the RESA. The level of involvement of RESAs and LDDs does not appear to affect significantly the type of programs and activities provided for local school districts.

RESAs with LDD representatives on their boards tend to have higher budgets and larger amounts of federal and state funds in those budgets than RESAs without such representation. However, no causal links between these budget characteristics and LDD representation have been identified or suggested.

- o "Model" RESAs

At a minimum, it appears appropriate for RESAs and LDDs to establish a formal institutional link. Without some institutional mechanism to maintain the relationship when both organizations are not mutually concerned about some issue, the link eventually is not likely to exist at all. Cross representation on Boards of Directors has been a useful means of maintaining a link that can be developed into the appropriate type of relationship as the need develops. Characteristics of what frequently is referred to as a desirable relationship are:

- The RESA acts as the education planner for the LDD and reviews all plans that could involve education activity.
- The RESA operates independent of the LDD for administrative and policy issues.
- The LDD acts as an advocate of the RESA in obtaining federal funds and expends available education funds through the RESA.

5. RELATIONSHIPS WITH OTHER HUMAN RESOURCE AGENCIES

There are two other types of local and state level organizations with which many RESAs become involved: institutions of higher education and social service agencies. The institutions of higher education include junior colleges, community colleges, and private and public universities. The social service organizations include: social, fraternal and religious organizations, community development groups, manpower development councils, and various state, city and county government agencies providing social services.

The types of relationship range from none to utilization of a human resource agency's services to help operate a RESA program. Unlike the relationships with the LDDs, there is greater emphasis on the cooperative delivery of services. The principal types of relationships exhibited by the ARC-assisted RESA are:

- No relationship: In a few RESAs no evidence could be found of a continuing relationship with human resource agencies. Personnel in the agencies may know one another and be aware of some of the activities of different agencies, but they do not maintain any regular contact concerning the activities.
- RESA as coordinator of other agencies' services: In several RESAs, the primary contact with colleges and universities is for in-service programs or coordination of courses. Some institutions of higher education offer courses for teachers in subjects which have been identified by the RESA, sometimes in connection with a specific

RESA-run program. The role of the RESA is usually liaison with the institution, such as to arrange for a course to be taught in the region at a location convenient to the region's teachers rather than at a less conveniently located college campus.

To a lesser extent, RESAs become coordinators of services provided by social service agencies. For example, in one RESA there has been an attempt to establish reference lists of social services available in the region and a guide to school administrators in utilizing the services for students. A more direct role is that of the Alcoa, Tennessee RESA in a regional Young Mothers Program. The RESA maintains contact with the twelve agencies providing services to young pregnant girls, coordinates the services of those agencies for students in the public schools, and acts as liaison between them on the delivery of these services.

- Joint operation of programs: At least two RESAs have entered into collaborative arrangements with colleges and universities to operate specific RESA programs. For example, the Cumberland, Maryland RESA has worked with a local college to develop a Small Business Institute which provides management counseling to small businesses and industries.

  In the Athens, Ohio RESA the local University plays an important part in the cooperative purchasing program. Food supplies for participating school districts are purchased and distributed through the University.

  Several RESAs have also established a working relationship with one social service agency to jointly deliver a specific service. An example of such a program is the Preventive Health Services Program in the RESA of Cumberland, Maryland. In that program, RESA staff and Health Department staff form a team to provide services to school districts. Another example is the Psychological Services Program in Alcoa, Tennessee, in which the RESA provides psychological services for the local Head Start program. Also, several RESAs have obtained grants from local manpower agencies for programs that either the RESAs or a local school district operate.

- Communication is established to avoid duplication of programs: Many RESAs are providing services, such as those to handicapped children, which traditionally have been provided by health or welfare agencies. RESA programs are usually designed to reach a different population group from that covered by other agencies. Directors of such RESA-run programs have established contact with other human resource agencies to assure that the RESA program does not duplicate that

of the other agency, and to assure personnel in those agencies that the RESA program is not intended to take clients from the other agency.

- Representation on RESA Boards: Fourteen of the twenty-three RESAs have representatives of institutions of higher education on their boards. This arrangement permits exchange of ideas and information about the needs in the region which the higher education institutions might play a role in resolving. In many cases, whenever higher education institutions are represented on the Board, all institutions in the region are represented.

  Several RESAs have a policy of having a representative of a social service agency on their Board whenever the agency is participating in a RESA program or activity. However, representation is limited to seven of the twenty-three RESAs studied, and in three of those seven RESAs only one social service agency is represented.

In general, formal relationships have been established more frequently with higher education institutions than with other human resource agencies. This appears to be a result, at least in part, of the roles these organizations play with respect to the local education agencies. The higher education institutions are viewed as a resource of talent and services that does not serve the same target groups as the LEAs. Other social service agencies occasionally: operate programs in competition with school systems; adopt an advocacy role relative to how school systems should provide selected services; or attempt to obtain use of some school system resources. As a result of such occurrences, many school districts have avoided establishing formal relationships with other human resource agencies and view such agencies with suspicion. This attitude has been reflected in the operation of many RESAs and has limited some staff from establishing formal relationships.

Benefits identified with establishing a relationship with human resource agencies are: avoid conflicts and redundancy in the delivery of services by the agencies and between the agencies and the RESA; extend the scope of some agency programs to the entire region; and obtain access to the resources of those agencies. Since most RESAs have not achieved a significant coordination

role even with education agencies, the first benefit is quite limited. The most obvious benefit is access to resources that would not be available to the education system.

The problem of relationships with social service agencies or with LDD relationships appear to center around noneducators having a direct role in education programs. Another problem is the financial support of the RESA. Many RESAs require agencies participating in the operation of RESA activities and in the delivery and receipt of services through the RESAs to be a member of the RESA and contribute to its support. Frequently the contribution can be handled through inkind services, but in a few instances the agencies are required to make cash contributions. To what extent this actually inhibits formal relationships between RESAs and human resource agencies is unknown.

The effect of having a formal relationship with a human resource agency is usually greater diversity of programs and activities. At least one RESA believed that an effect of the diversification has been a reduction in support from the LEAs who began to think less of the RESA as "their" organization. Other directors viewed this problem as a potential effect which reduced their interest in establishing a continuing relationship.

o "Model" RESA

At a minimum, it appears desirable to establish a mechanism for maintaining contact with the agencies on the staff level and staying current on activities involving children or education resources. This contact can range from regular meetings with the agency staff on specific activities of mutual interest to making an annual assessment of the level of activity being carried on in a region.

For higher education institutions, the appropriate relationship appears to be representation on the Board of Directors of the RESA or on

the advisory boards. Out of such relationships, cooperation on the delivery of services can be developed and tailored to the needs of the region. If a RESA has no cooperative activities with local colleges and universities, it is likely that it is missing out on an opportunity to bring available resources and talent to bear on regional problems.

Since there is little reason for an institutional relationship with a social service agency unless it is cooperating actively on a RESA program, formal relationships typically should follow the establishment of working relationships at the staff level. Several RESA directors identified this as the strategy they were following in attempting to establish closer relationships between LEAs and other human resource agencies.

B. RESA ACTIVITIES, FUNCTIONS AND PROGRAMS

As funded and guided by ARC, RESAs have been provided extensive freedom in selecting activities, functions and programs to be undertaken. Activity models were not provided to the RESAs, nor were RESAs required to implement specific activities. Quite the contrary, RESAs were provided planning funds to conduct needs surveys and propose activities that local personnel believed appropriate for their area. The RESAs have utilized that freedom to implement a variety of activities and demonstrate that they can operate a broad range of programs.

The specific activities, functions and programs that RESAs show through recent experiences to be appropriate for them to become involved with are described in "Report on Regional Education Service Agencies in Appalachia."[1]

1. John D. Waller et al. "Report on Regional Education Service Agencies in Appalachia," Paper 5048-3-02, August 5, 1976.

The programs are categorized by type of education activity affected, beneficiary and the type RESA involvement. The results of the categorization are examined in Table 10. As can be noted from the table, RESAs have focused on:

- Programs in the areas of: special education, administrative and support activities, resource and media programs and centers, and cooperative purchase programs.

  These programs account for at least 54 percent of the activities of the RESAs.

- Teachers and administrators are the direct beneficiaries more often than any other groups.

- The majority of the RESA programs involve the provision of a service by personnel working for or through the RESA, instead of merely administering a program or providing technical assistance.

In selecting which of the specific activities, functions or programs to become involved with, recent experiences of RESAs indicate that it is desirable to have a mix of three types: special projects, basic services, and coordinating liaison functions.

1. SPECIAL PROJECTS

Special projects refer to those activities which are undertaken as experimental or demonstration projects, which initially serve a limited portion of a larger target population, or for which individual small districts do not have a sufficiently large target population to qualify or justify the budget. Typically the activity is categorized as "innovative," at least for the region served by the RESA. Examples of current RESA projects that fall into this category are: talented and gifted programs, early childhood education programs, some special education programs for handicapped children, and highly specialized academic courses.

TABLE 10: CATEGORIZATIONS OF RESA PROGRAMS

a. TYPE OF PROGRAMS AND ACTIVITIES PROVIDED BY RESAs

	Number of Programs Identified	Appalachian Education Satellite Project	Special Education	Adult Education	Parent Education	Health Education	Career Education	Management and Administration	Occupational Education	Resource/Media Centers and Programs	Reading Mathematics	Humanities	Consumer Education	Cooperative Purchase	Inservice	Driver/Safety Education	Vocational Education	Early Childhood Education	Guidance	Aging
Total Number of Programs Identified	133	4	30	5	5	2	3	21	2	13	8	2	1	9	8	7	3	7	1	2
Number of RESAs Identified with Programs	21	4	18	5	4	1	3	11	2	8	8	2	1	9	8	5	3	7	1	1

b. TARGET POPULATIONS FOR RESA ACTIVITIES

	Number of Distinct Programs Identified for RESAs	Number of programs serving the designated target populations.						
		Pre-School	In School	Ages 6-21 Out of School	Teacher	Administrators	Parents	Adults
Total	133	8	28	3	60	49	5	12

c. TYPES OF RESA[1] INVOLVEMENT IN PROGRAMS

	Technical Assistance	Delivery of Services	Administration
Total Number of Programs Identified	6	51	15

1. Based on programs in the eleven RESAs visited.

The beneficiaries primarily are limited to the project participants, who are likely to be teachers or students numbering less than 100. If the demonstration or pilot effort is considered successful and the project expanded, then the beneficiaries will be expanded to a larger population that, indirectly, may involve all students or teachers in the region. When the expansion occurs, the RESA frequently does not need to be involved, since the school districts can operate the program on their own or it can be turned over to a third party.

Projects of this type are most frequently funded through federal grants as part of a specific program, for example, Title III of the Elementary and Secondary Education Act. The period of federal funding normally is limited to three years or less, with the expectation that local support will be utilized subsequently. To date, in most cases, the local assumption of continuation funding does not occur when federal funding is terminated. Either the service is terminated or it is provided on a more limited scale on a nonregional basis by local school systems. Some services, such as developing curriculum, are terminated when tasks for which funding were provided are completed. Others are terminated because no source of funding for the service can be found.

The motivation for operating the projects through the RESA is a combination of:

- o Funds are available: Several RESAs depend on federal funds for a significant portion of their budget and actively search for federal grants. When potential funds are identified and the program that would be operated is acceptable to local educators, they apply.
- o Identified need: Through a formal needs assessment or as a result of requests by LEAs, the RESA staff and Board identify a need for developing a special service on a trial basis.
- o Local interest: There are several federal programs aimed at disseminating information on demonstration projects and providing technical assistance (TA) in transferring them. In fact, several

RESAs participate in them through the federally funded "facilitator program." Through such programs, local interest in a specific project is developed, and the RESA may assist in introducing it locally. Once the project is operating routinely, the RESA need not be involved.

- o RESA provides the most appropriate sponsor: Some federal programs have conditions on target population size or school system characteristics that small rural districts cannot meet. In such cases, a cooperative arrangement is necessary in order to participate in the program. In other cases, the local school districts do not have or are unwilling to commit the administrative or technical support to operate the special project.

2. BASIC SERVICES

Basic services refer to those activities typically considered part of a school system's responsibility, and which would be carried out by most school systems in a region if the RESA were not doing so. Examples of such programs are: purchasing of materials and equipment, inservice projects, driver education, vocational education, and career education. The difference between basic services and special projects is somewhat a matter of local conditions and time. For example, career education is not common in all school districts, and when initially introduced, is often a federally funded special grant project.

The beneficiaries of such activities vary with the service, but generally cover a significant portion of the target population. Two examples are: (a) when all districts are eligible to participate in a cooperative purchasing program when it is offered by the RESA, and (b) when all eligible students can take the RESA driver education program if offered.

The principal motivations for offering such services are:

- o cost savings: The service can be offered more efficiently on a regional basis and actual cost reductions are achieved.
- o higher quality service: Greater resources can be concentrated to improve the quality of the service provided.
- o greater coverage: While the service may be routine to some school districts, not all, especially the smaller ones, are able to provide it on their own.

- o increase available resources: Some state or federally funded services are supported on the basis of number of students served, with resources increasing at specific intervals. By offering the service regionally, school districts with too few students to qualify individually are able to participate.

3. COORDINATING/LIAISON ACTIVITIES

The first two categories involve education or education support activities operated by the RESA. In general, students or teachers are recipients of the services. However, not all of a RESA's activities involve the operation of a project or program, for the role of the RESA is also as an intermediate agency to help some other agency better provide a service.

Examples of these activities are: acting as a liaison with state level bureaus providing technical assistance to local education agencies; providing a vehicle for local administrators to discuss common problems (but solve on their own); and, assisting local education agencies to obtain state or federal programs that the LEA will operate.

This appears to be an activity common to all RESAs, at least at a minimum level of the Board of Directors providing a mechanism for local educators to meet regularly, and through the Executive Director maintaining routine contact with local administrators on an individual basis. Most RESAs provide assistance to local school districts in preparing federal grant applications and some actively try to locate available federal funds for local school districts. This service appears to be particularly useful to small school districts which do not have the administrative resources to allocate to grantsmanship activities.

The coordination/liaison role is most evident in those states where the state Department of Education provides administrative support to the RESA. In Kentucky, North Carolina and West Virginia, the RESAs are expected

to devote a portion of their staff time to coordinating the delivery of a state mandated service, and acting as liaison between state and local superintendents. Also, two of those states have located state supported personnel in the RESAs who are responsible for providing technical assistance in specialized areas.

The primary beneficiaries of this type of RESA role are the administrators of the local education agencies. It is assumed that these liaison activities ultimately will result in increased or better services or programs run by these agencies. The recipients or beneficiaries of those programs or services are most frequently the teachers or students in the region served by a RESA.

The extent to which a given RESA performs a liaison/coordinating function is dependent on the amount of funding available. In general, at least half of the director's time is expended in this capacity. If, as has been the case in Kentucky and North Carolina, funds are available for this purpose, the level of effort can increase to the equivalent of several persons. Whereas, if the remainder of the staff must charge their time to specific service delivery projects, then little additional time is available for liaison activities. In some cases, the RESA receives sufficient local funds for administrative purposes to support the equivalent of one to two persons in this type of activity.

While there are RESAs that tend to focus on only one of the above types of activity, the more common situation is for a RESA to have some of each type of activity. The major factors influencing the mix of activities that are adopted are:

- RESA board policy and interests,

- o interests and capabilities of the RESA staff,
- o availability of funds, and
- o attitude of state level administrators.

The primary factor appears to be the availability of funds, since it can limit the activities of the RESA and reflect the attitudes and interests at the local, state and federal levels.

During the initial years of ARC support, and when the state provides financial support, a RESA is more likely to have a greater emphasis on liaison and coordinating activities as the primary RESA programs. These activities can require a good deal of flexible monies, such as those provided initially by ARC and regularly by some state departments of education. RESA operation of a few special projects or a basic service activity usually complement these liaison activities. As ARC funding support declines, RESAs usually intensify their search for special project grants or attempt to get more involved in the provision of basic service activities. The direction they take is influenced primarily by the attitudes of the participating local education personnel, and in part by the willingness or ability of the RESA to generate federal or state grant funds.

- o "MODEL" ACTIVITIES

As just noted, local circumstances have a major role in what activities are viewed as appropriate for a RESA. What type of activities are appropriate for a given area depends on those local circumstances. Thus, while specific prescriptions on what are the best activities are not reasonable, some guidance can be derived from what are viewed as successful RESA activities.

a. Liaison: Meeting the information needs of superintendents has been a low cost activity that most RESA staff and superintendents believe has been useful for local school systems. Success at the

activity usually is measured by the local educators indicating their satisfaction and by their turning to the RESA for assistance on a routine basis. Factors that have been identified as contributing to the success of a RESA in these activities are: openness of the local educators to outside assistance, RESA personnel who are compatible with local educators, and a lack of easy access by the LEAs to available assistance in state level agencies (due to either bureaucratic or distance problems). Specific activities identified are:

(1) Using the RESA experience and knowledge of education activities throughout the region to review alternative solutions to local problems.

(2) Convening meetings of local personnel and outside experts on common problems or concerning new activities with which the LEAs will have to deal (e.g. new state education policies).

(3) Coordinating the local review and response to state level policy and fiscal proposals affecting local districts.

(4) Informing local districts of sources of funds and providing assistance in obtaining them by preparing or reviewing proposals.

(5) Performing management and planning studies for a district.

These are the functions that typically would be handled by an assistant superintendent if a school system could afford it.

b. Basic Services: It is through the delivery of basic services that the RESAs appear to become most integrated into local education activities and institutionalized. Local districts pay for the services either out of local funds or with federal or state funds that have been given to them. Consequently, the LEAs have a financial commitment to the activities. However, not all school services are appropriate for RESAs to provide. Conditions that are equated with success in the delivery of these services are:

(1) School systems are able to exercise quality control over the activity and it is viewed as coming through their systems.

(2) Unit cost savings will be encountered within one year.

(3) Observable increase occurs within one year in the amount of the service, its frequency and/or its quality.

Factors that appear to contribute to the success of activities are:

(1) Service requires specialized personnel or a sizeable set-up cost that is beyond the resources of many school districts.

(2) Most school districts will not utilize personnel or materials necessary for the service on a full-time basis, but might use them regularly over a period of time.

(3) Economies of scale are achieved by aggregating the target populations to be served.

(4) The target population can be served by either transferring them to a central facility or visiting them on a rotating basis.

Thus, RESAs do not appear to be appropriate mechanisms for providing routine services that are or will be received regularly by nearly all students or teachers in the region.

Specific programs at which RESAs have been successful are:

(1) Cooperative purchase of supplies: Typically the RESA coordinates the development of an aggregated list of proposed purchases of the local education agencies in order to obtain bids from suppliers covering all the participating agencies. Once a supplier is selected, the local education agencies exercise their options on an individual basis and directly receive and pay for the supplies. In this manner: economy of scale savings are achieved; each LEA makes the final purchase decision; cost savings are achieved immediately; and little capital investment is required by the RESAs or LEAs.

(2) Special education activities: RESAs have become involved in: providing testing, screening, and diagnostic services for students; providing resource materials and assistance to classroom teachers; and operating classes for children with low incidence problems that can not be accommodated in the classroom or individual school. These programs permit local education agencies to: satisfy recently enacted requirements for special education services which they currently do not have the capability to meet; have access to activities only required on a periodic basis; and efficiently utilize specialized personnel not required on a full-time basis.

(3) Technical or specialized courses: RESAs have become involved in organizing or giving courses designated for selected groups or utilizing special equipment. Examples of such courses are driver education, adult basic education, and teacher inservice workshops. In this manner, courses are provided that individual school districts do not have sufficient students to justify, or cost savings are realized through the higher rate of utilization of specialized personnel and equipment.

(4) Staff support activities: Through the operation of resource centers and media repair centers, RESAs have been able to reduce costs or increase the quantity and quality of activities

designed to augment or support the institutional program of individual LEAs.

c. Special Projects: RESAs appear to be particularly well suited for operating or coordinating projects that will either operate for a short period on a demonstration basis, or are just being introduced into the LEAs in the region. Success with the projects can usually be determined by such criteria as: the need for it is satisfied or it is adopted by the LEAs.

Factors contributing to RESA success with the projects, and the appropriateness of RESA involvement, are:

(1) Special expertise is required on a short-term basis.

(2) The set up or threshold costs and technical requirements are beyond the resources of an individual LEA or cannot be efficiently provided to individual LEAs.

(3) Risk of failure is too high for individual school districts.

(4) Target population in individual LEAs is not of sufficient size for economic and efficient operation of the projects by the LEA.

Specific projects with which RESAs have been successful or are currently involved are:

(1) Development and testing of model talented and gifted programs that can eventually be operated by the separate school systems.

(2) Provision of a resource person for a limited time period to introduce a new curriculum (e.g. career education), or upgrade the skills of classroom teachers (e.g. in teaching mathematics).

(3) Preparation of a document or manual for future use of policy makers, administrators or the institutional staff (e.g. school board policy manuals).

The above suggestions reflect those programs which either several RESAs have found appropriate or which some RESA has operated, and which appear to be suitable for several others, given other activities they had undertaken previously.

However, in order to be effective, each activity will have to be tailored to local needs and attitudes. Particular circumstances and factors that should be taken into consideration in attempting to increase the effectiveness of RESAs in selected areas--such as cost savings--were addressed in Chapter III.